ORIGINAL

0000149903

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BEFORE THE ARIZONA CORPORATION COMMISSION

IN THE MATTER OF THE APPLICATION OF PAYSON WATER CO., INC., AN ARIZONA CORPORATION, FOR A DETERMINATION OF THE FAIR VALUE OF ITS UTILITY PLANTS AND PROPERTY AND FOR INCREASES IN ITS WATER RATES AND CHARGES FOR UTILITY SERVICE BASED THEREON.	DOCKET NO: W-03514A-13-0111
IN THE MATTER OF THE APPLICATION OF PAYSON WATER CO., INC., AN ARIZONA CORPORATION, FOR AUTHORITY TO: (1) ISSUE EVIDENCE OF INDEBTEDNESS IN AN AMOUNT NOT TO EXCEED $1,238,000 IN CONNECTION WITH INFRASTRUCTURE IMPROVEMENTS TO THE UTILITY SYSTEM; AND (2) ENCUMBER REAL PROPERTY AND PLANT AS SECURITY FOR SUCH INDEBTEDNESS.	DOCKET NO: W-03514A-13-0142

SURREBUTTAL TESTIMONY BY INTERVENERS
PHASE 2

Kathleen M. Reidhead, "KMR", is an Intervener in the above-captioned matter. KMR is a long-standing residential customer served by the Public Service Utility Company, Payson Water Company, "PWC" or "Company", residing part-time within the physical boundaries of the CC&N in the community of Deer Creek Village, "DCV", that is part of the former United Utilities system and has a vested interest in the ramifications of these proceedings. The system is also known as ADEQ's Public Water System number 04-064 (incorrectly identified as 04-030 in her Direct Testimony on 11/14/13).

KMR notes that the Rebuttal Testimony submitted by PWC[1] ignores her Direct Testimony[2] and only addresses the Direct Testimony by the Arizona Corporation Commission, "ACC"[3]. In rebuttal testimony, PWC addresses issues that will provide benefit to the Company, yet offers no response to the

[1] Document #0000150385 submitted on December 6, 2013.
[2] Document #0000149527 submitted on November 14, 2013.
[3] Documents #0000149555 submitted on November 15, 2013 and #0000149600 submitted on November 19, 2013.

numerous issues that have been raised by KMR and other ratepayers over the course of this rate case. KMR's specific request that cost of service studies be conducted for each of the eight communities was not answered in the Company's Rebuttal Testimony. Nor was a business plan and correlating budget to maintain and renovate each of the eight communities water systems submitted by PWC. KMR has observed that submissions of other Interveners in this case have gone unanswered as well. For example, a motion submitted by Bill Sheppard to take public comment in the Payson area[4] has not been responded to. This does not foster an atmosphere of working together, which was a stated goal in KMR's Direct Testimony[5].

KMR opposes the request by PWC to consolidate rates for the former United Utilities and the former C & S System and Staff's agreement with that proposal[6]. Consolidation is discriminatory to ratepayers in Gisela and DCV, due to the fact that these two communities have abundant and stable water resources, unlike some of the other communities served by PWC. They should not be treated the same as the other water systems merely because it benefits the Company via administrative efficiencies. In fact, Gisela and DCV are located in an entirely different water basin than the other six communities served by PWC and as such, should be treated separately for ratemaking, based on different hydro-geological conditions that exist between the two separate water basins. Please refer to Exhibit KMR-1 attached, relevant part of a report from the Arizona Department of Water Resources website, titled "Arizona Water Atlas - Volume 5" , which is posted at the following link: http://www.azwater.gov/AzDWR/StatewidePlanning/wateratlas/CentralHighlands/default.htm . This exhibit is Section 5.3 - Tonto Creek Basin of the complete report, which shows that DCV and Gisela are physically located within the Tonto Creek Basin. The other 6 communities of PWC are located within the Verde River Basin. This exhibit shows the geography, land ownership, climate and groundwater conditions, among other things, of the Tonto Creek Basin. It is documented in this report (see pages 183-185) that a major aquifer runs directly through the area where DCV is located. DCV is physically located approximately 4 miles south of Rye and 2 miles north of the intersection of Rt. 87 and Rt. 188, on the eastern side of Rt. 87. The blue arrow on Figure 5.3-7 on page 185 indicates this to be an alluvial aquifer, which refers to a fine-grained fertile soil consisting of mud, silt, and sand deposited by flowing water. One source of well yield information, based on 51 reported wells, indicates that the median well yield in the Tonto Creek Basin is 120 gallons per minute (see page 183). It is clear throughout this report that water resources are abundant in the Tonto Creek Basin and that 97.5% of the land is federally owned and managed by the United States Forest Service with vast wilderness areas and only 2.4% of the land is private (see pages 169 and 170). Accordingly, very little demand is put on the underground water resources. It is estimated that water in storage underground for this basin ranges from 2.0 million acre-feet to 9.4 million acre-feet to a depth of 1,200 feet (see page 183). Groundwater use in the basin has been estimated to average between 2,000 to 4,000 acre-feet/year over the period from the 1970s until now (see pages 191-192), a mere fraction of a percentage of the water that exists in storage. As such, it would be discriminatory to impose a more stringent ratemaking structure on the ratepayers in the Tonto Creek Basin than what is necessary, in violation of A.R.S. §40-203. That would have the

[4] Document #0000149540 submitted on November 15, 2013.
[5] Document #0000149527, Page 5, lines 15-17.
[6] Document #0000149555, Page 23 of the Direct Testimony of Crystal S. Brown, Public Utilities Analyst V.

impact of placing an unfair financial burden on customers in those communities, driving them to conserve, with no benefit to anybody for those conserved resources. It would be entirely different if that water could be pumped uphill to help serve the other 6 communities that may have water supply deficiencies, but that is not likely a viable proposition and is not being sought by the Company. Please refer to Exhibits KMR-2 and KMR-3 to see the financial impact the Staff and PWC proposed rates would have on customers in these two communities. This proposal for consolidation and the proposed significant rate hikes is short sighted on the part of the Company. The potential unintended consequences (and risk to PWC) of imposing such significant rate hikes might be that more households decide to drill their own wells and disconnect service from PWC, especially in Gisela and DCV, where water is plentiful. Worse yet, those two communities may decide to take over their own water systems, as has happened in Star Valley/Quail Valley and Pine/Strawberry in recent years. A more reasonable approach would be to implement a rate structure that allows customers in these two communities to use as much water as they demand, hence ratemaking should be designed to allow for maximum consumption at very affordable costs. By that method, both PWC and its customers can maximize their benefit. This would also help improve the relationship between PWC and customers in those communities. This is an example of why separate rates for separate communities of PWC makes sense.

KMR requests that DCV be released from the curtailment tariff authorized in Decision #67821 on Docket W-03514A-04-0906 and that the sign posted at the entrance to DCV showing water curtailment stages be removed, as DCV should never have been required to participate in a curtailment plan, based on the volume of water available in the underground aquifer at DCV. That should now be corrected.

KMR has reviewed the Phase 2 rate increase proposals for PWC suggested by the Company and the ACC, and is rejecting both proposals for reasons discussed throughout this document, requesting instead that cost of service studies be conducted and separate rate proposals be made, as appropriate, for each of the eight separate communities served by PWC or by grouping communities with similar hydro-geology conditions and costs. It is widely perceived by the ratepayers that they are subsidizing the costs of other systems within PWC and there is evidence presented here to support that perception. Cost of service principles fairly dictate that those who use water services pay for them. And while cost of service is only one important criteria in determining rates, it is probably the most important criteria and, so far, it has not been brought into consideration in this case.

In the Direct Testimony by Crystal S. Brown of the ACC, "Staff", it is stated that a review of the Commission's records for the years 2010 to 2013 indicate that all complaints have been resolved and closed[7]. This is inaccurate, as two formal complaints filed in 2012 remain open and unresolved: W-03514A-12-0007 and W-03514A-12-0008.

As previously noted by KMR in her Direct Testimony, there is a well established history of poor service and allegations of unlawful practices by PWC, which has created a public atmosphere of distrust towards the Company by the Ratepayers. Additional evidence is presented in the Staff Report to expand this atmosphere of distrust. It is documented that PWC gained $755,709 as a result of the

[7] Document #0000149555, Page 3 of the Direct Testimony of Crystal S. Brown, Public Utilities Analyst V.

condemnation sale of the Star Valley/Quail Valley water system[8]. Per Staff, that gain belongs to the Company[9], yet it appears that the money had been removed from the Company before Jason Williamson became the new owner of the Company[10] on June 1, 2013. It is shown on the original rate application that a Note Receivable was issued for $637,794.[11] On supporting schedule E-3, that amount appears as a Receivable/Payable to Associated Company.[12] KMR alleges that the removal of Company monetary assets is a violation of the law, A.R.S. §40-426, and requests the ACC take action pursuant to A.R.S. §40-421.

The Company's Income Statement would look quite different if the money from the sale of the Star Valley/Quail Valley system had remained on the books of PWC. The value of the Company's retained earnings would be much higher and PWC would not be operating in a deficit financial condition, in fact. That money could have aided the renovation of some of its other aging and deteriorating systems or paid a good share of the MdC pipeline project. It is not just or reasonable for the ratepayers to pay, through higher rates, to correct the actions of a person who raided the coffers of PWC sometime prior to June 1, 2013. This completely altered the Test Year data, which significantly impacts the rate case. This is patently unfair to the ratepayers. They had already paid $488,308 towards the Star Valley/Quail Valley plant cost, plus funded repair and maintenance expenses for that system while it was in service[10] and entrusted PWC to safeguard that investment, which PWC did not, and now, because the money from the sale of that asset is missing, PWC is asking them to pay exorbitantly higher rates so that it can regain a sound financial condition. KMR has filed a Motion for Discovery[13] requesting Staff answer numerous questions on this subject and has received answers. KMR asserts that the Company is liable to the ratepayers for this loss, pursuant to A.R.S. §40-423. Accordingly, KMR requests the rate case be continued to a later date until remedies for damages incurred as a result of this loss can be pursued and achieved.

Since the former owner of PWC, Brooke Utilities Inc., "BUI", was under the management of Mr. Robert Hardcastle prior to June 1, 2013 when the removal of assets is alleged to have occurred, KMR is asking for a full disclosure about Mr. Jason Williamson's relationship to him. KMR filed a Motion for Discovery[10] asking Mr. Williamson to answer numerous questions on this subject and has received objections (to questions 1, 2, 4, 5 and 6) and responses (to questions 3 and 6), attached as Exhibit KMR-4. KMR requests that the objections be overruled and Mr. Williamson be compelled to answer, as KMR did not ask the Company to answer, she asked for Mr. Jason Williamson, President of PWC, to answer. KMR asserts the information requested in her Motion for Discovery is highly relevant to the rate case, as Mr. Williamson has adopted and is supporting the rate application originally submitted by Mr. Robert Hardcastle. In light of the disclosure of missing assets, which significantly alters the fair value of the

[8] The Stipulated Final Judgment in Condemnation was entered by the Gila County Superior Court on April 12, 2012 per Document #0000137243 on the ACC Docket W-03514A-98-0084.
[9] Document #0000149555, Page 7 of the Direct Testimony of Crystal S. Brown, Public Utilities Analyst V.
[10] Document #0000149555, Page 8 of the Direct Testimony of Crystal S. Brown, Public Utilities Analyst V.

[11] Document #0000145511 filed on April 23, 2013, Schedule A-5 of Thomas Bourassa's testimony, page 115/279.
[12] Document #0000145511 filed on April 23, 2013, Schedule E-3 of Thomas Bourassa's testimony, page 165/279.
[13] Document #0000149758 filed on December 3, 2013.

Company's utility property and impacts the setting of rates, it is important to know whether any collusion exists.

Staff requested PWC provide source documentation to substantiate the cost of plant additions from the years 2000 to 2012, but PWC indicated that it was unable to provide invoices for plant expenditures prior to 2009 because it was unable to obtain them from the prior owner, which is a violation of Arizona Administrative Code R14-2-610, D.1[14]. As suggested by Staff, a signed affidavit by the current owner "stating that it believes that the Company actually paid for the unsupported plant"[15] is **not** an acceptable solution to the Company's violation of this rule. Per the affidavit of Jason Williamson[16], it was the Company's prior owner, BUI, who maintained control over the records that Staff requested and that, "BUI's accounting practices were sound". If so, then the requested records can and should be produced. KMR requests that the ACC execute its powers under Article 15, Section 4 of the Arizona Constitution to subpoena such records from the prior owner of BUI, Mr. Robert Hardcastle. She asks for strict adherence to Arizona Administrative Code R14-3-109 (J), which states in relevant part, "The Commission or presiding officer, may, however, require proof by evidence of the facts stipulated to, notwithstanding the stipulation of the parties". Strict adherence to the rules is clearly warranted in this case, as there are allegations of unethical activities on the part of the Company and/or its employees. Furthermore, per AAC R14-3-109 (K) in relevant part, "Rules of evidence before the Superior Court of the state of Arizona will be generally followed but may be relaxed in the discretion of the Commission or presiding officer when deviation from the technical rules of evidence will aid in ascertaining the facts". KMR asserts that any "deviation from the technical rules of evidence" in this case will not aid in ascertaining the facts, but will, in fact, hide and distort the facts of the case. Until the evidence is produced, no adjustments to Contributions In Aid of Construction, "CIAC" or amortization of CIAC for unsupported plant costs should be allowed.

The Arizona Administrative Code R14-3-109 (A) was violated during the Phase 1 portion of this case in order to expedite financing approval for a WIFA loan for an interconnection pipeline project for Mesa del Caballo, "MdC". That violation has led to a Decision in the Phase 1 portion of this case that has encumbered PWC (and by relation, it's ratepayers) with debt that will take 20 years to pay for. KMR asserts that the expedited nature of Phase 1 unfairly advantaged PWC and disadvantaged ratepayers. Decision #74175 was issued on October 25, 2013, which granted financing approval of $275,000 for an interconnection pipeline project after an expedited examination of evidence in the case, despite loud and clear opposition by many ratepayers. Perhaps a different decision would have been reached if a closer examination of the facts had been achieved. For example, PWC's water augmentation costs are reported to be $2,438[17] for the test year 2012. It is not rational to construct an interconnection pipeline (to be used for only two or three years), at a cost of $275,000 in order to avoid water augmentation charges that are significantly lower. The Company's costs of $2,438 per year x 3 years amounts to less than 3% of the cost of the interconnect pipeline. Although the violation of that rule was

[14] Document #0000149555, Page 9 of the Direct Testimony of Crystal S. Brown, Public Utilities Analyst V.
[15] Document #0000149555, Page 10 of the Direct Testimony of Crystal S. Brown, Public Utilities Analyst V.
[16] Document #0000150385, Exhibit JW-RB2, Affidavit of Jason Williamson, Page 1.
[17] Document #0000149555, Page 20 of the Direct Testimony of Crystal S. Brown, Public Utilities Analyst V.

stated to have been made in order to preemptively save MdC customers from high summer water bills over the next 2 or 3 summers, it must be clarified that this relief will be only in the short-term (for the next 2 or 3 years use of the pipeline interconnection). They will be required to pay for that short-term relief for the next 20 years. Over the course of the 20-year loan, MdC ratepayers will pay significantly more than they likely would have paid for the next 3 years of water hauling charges - see Exhibit KMR-5. Additionally, if/when the remaining portion of the Cragin pipeline project is authorized in Phase 2, they will then suffer significantly higher year round water bills and there is no guarantee that they won't still have to pay additional water hauling charges during peak summer shortage periods[18]. See Exhibit KMR-6 to see the financial impact the Staff and PWC proposed rates would have on customers in this community. Furthermore, KMR was dismayed to learn that PWC is spending "tens of thousands of extra dollars in expedited Commission proceedings. Because building the Interconnection as soon as possible is the best thing for the Company and its customers"[19]. KMR refutes that this decision is the best thing for its customers, based on her analysis in Exhibit KMR-5. Accordingly, strict adherence to the rules is requested by KMR in all future examination of the evidence in this case. Any additional violations to the Arizona Administrative Code Rules will be viewed as egregious, particularly in light of the evidence of unscrupulous activity by PWC that has been revealed in the record of this case.

It is also noted in the Staff Report that at the beginning of the test year, PWC was composed of eight separate water systems[20]. This is inaccurate, as PWC was actually composed of nine separate water systems at the beginning of the test year until the Star Valley/Quail Valley system was sold in a condemnation sale on April 12, 2012[21]. After that, PWC was composed of eight water systems, specifically Mesa del Caballo, Mead's Ranch, East Verde Estates, Flowing Springs, Geronimo Estates/Elusive Acres, Whispering Pines, Gisela/Tonto Creek Shores and Deer Creek Village, yet the accounting for the eight/nine water systems was recorded using only one accounting system and one chart of accounts by PWC. This is particularly troubling, since there were at least two separate rate structures in place and nine separate plants in service during the first part of the Test Year and eight separate plants in service during the other part of the Test Year. As such, Staff had to do some fancy calculations to come up with recommendations for plausible CIAC, which caused adjustments to the rate base. Throughout Staff's audit of the Company's accounting figures, there were adjustments made to Operating Income, Salaries and Wages, Contractual Services Expense, Corporate Office Allocations and removal of costs incurred by the prior owner while exploring the possibility of purchasing another water company. In addition, Staff had to adjust depreciation expenses, income tax expenses and sales taxes. It is clear throughout this testimony that inaccurate and/or misleading accounting figures had been submitted by PWC in the filing of this case, despite the Affidavit of Jason Williamson stating "that BUI's accounting practices were sound"[22]. As such, it seems reasonable, and KMR requests that the ACC orders PWC, pursuant to A.R.S. §40-221, to record the accounting for each separate water system, with

[18] Per the testimony of Jason Williamson at the Phase 1 Hearing on September 25, 2013, from 04:09:30 through 04:12:20 of the video archive.
[19] Per the Responsive Testimony of Jason Williamson, Document #0000148449, Page 4 lines 22-25.
[20] Document #0000149555, Page 11 of the Direct Testimony of Crystal S. Brown, Public Utilities Analyst V.
[21] The Stipulated Final Judgment in Condemnation was entered by the Gila County Superior Court on April 12, 2012 per Document #0000137243 on the ACC Docket W-03514A-98-0084.
[22] See Document #0000150385, Exhibit JW-RB2, Page 1 of the Affidavit of Jason Williamson.

eight separate chart of accounts from this point forward. Otherwise, it is possible that a similar situation may occur again in the future if/when PWC no longer owns one or more of these current water systems. The ratepayers deserve accurate and honest reporting of all accounting by PWC, especially in light of the high level of distrust that already exists. Any future occurrences of similar "fuzzy math" will be seen as egregious, in light of these discrepancies that are documented in the record of this case. Further, a high level of accounting transparency will aid the ratepayers in establishing trust. Accordingly, it should be ordered that all normal components of a company's cost of service for each community be tracked separately. Since these eight communities are separated by great distances and some have different hydro-geology conditions, it is common that residents of one community would not be aware of costly expenditures, such as water hauling exercises, infrastructure improvements or other maintenance improvements that are being made in any of the other communities. Hence, PWC stands the risk of alarming ratepayers at each future rate case, as it did in this one. Separate accounting for each community can easily show cost of service and provide clear evidence that PWC is establishing "just and reasonable rates" as required by A.R.S. §40-361.

Throughout this rate case, ratepayers from the seven communities outside of the MdC community have expressed strong and clear opposition to paying for any portion of the Cragin pipeline project being proposed for MdC . At the October 15, 2013 ACC Open Meeting, Commissioner Brenda Burns asked Judge Dwight Nodes for clarification on whether the decision in Phase 1 will set in motion an impact on other ratepayers of PWC in the future[23]? Judge Nodes states in his response (in part), "the order clearly reflects that nothing in Phase 1 or Phase 2 regarding this project is going to be imposed on anyone other than the MdC customers, that was the testimony at the hearing, there is not one bit of record evidence anywhere that indicates anyone other than the MdC customers will ever pay anything for the Cragin pipeline in either Phase 1 or Phase 2."[24] The Commissioners voted 5-0 in favor of adopting the recommended Phase 1 Order prepared by Judge Nodes after this strong clarification was given. Accordingly, KMR expects the ACC to honor that intention fully...that only the ratepayers of MdC be expected to pay for any of the costs relating to the Cragin pipeline project or its financing requirements. That would include a requirement from the Phase 1 Decision #74175 issued on October 25, 2013 in this case, which indicates that the Phase 2 permanent rate case must result in a debt service coverage, "DSC", of 1.2 or greater, as PWC needs that DSC for the resulting WIFA loan approval for the MdC pipeline project. KMR asserts that it would be unjust for the ratepayers of the other seven outlying communities to pay higher rates, simply to achieve that DSC, without any new benefit coming to them. Accordingly, higher rates made solely to achieve that DSC should be borne solely by the ratepayers in MdC, since the ratepayers of MdC will be the only ones that will benefit from the pipeline project being proposed and funded via that WIFA loan. Therefore, it is unacceptable that there is only one proposal from PWC and Staff to consolidate the rates of all eight communities, when we should expect to see at least two separate proposals, one for the other 7 communities that is aligned with actual costs of service (and provides credible assurance that they are not paying for any costs associated with the MdC pipeline project or its financing requirements), and one showing the proposed rates for MdC that then strives to achieve that DSC of 1.2 or greater, independent of the other communities. It is unacceptable to ask the

[23] ACC Open Meeting on October 16, 2013, Item 33, beginning at 00:09:54 of the video archive.
[24] ACC Open Meeting on October 16, 2013, Item 33, from 00:12:40 through 00:13:25 of the video archive.

ratepayers from all eight communities to pay higher rates simply to help PWC meet the DSC of 1.2 or greater to qualify for financing for the MdC pipeline project. This single proposal is evidence that supports the widely perceived notion by ratepayers that they are subsidizing the costs of other systems within PWC. KMR asserts that a single proposal for consolidated rates in this case is unjust and unreasonable, which is prohibited by A.R.S. §40-361.

Attached as Exhibit KMR-7 is a summary of the current consolidated rate increase proposals offered by both Company and Staff. This analysis shows the percentage increases, as calculated for the most common 5/8 x 3/4 inch and 3/4 inch residential meter customers, for both Base Rate and Commodity Rates. These increases are significant, especially in the Staff recommendation for the Commodity Rates for ratepayers in the former C & S System, ranging from 170% to 509% higher than the current rate for comparable usage. The Company's Rebuttal proposal[25] is even more aggressive, with Commodity Rates for ratepayers in the former C & S System ranging from 299% to 518% higher than the current rate for comparable usage. No justification is offered by the ACC or PWC for this exorbitant level of increase, but it can be concluded that the ratepayers are being asked to reinstate operating income lost due to the condemnation sale of the Star Valley/Quail Valley system and the loss of a $755,709 gain on that sale that vanished from the Company's accounts sometime between April 2012 and June 2013. By way of the consolidation proposal, ratepayers in the former C & S System are being asked to pay a larger percentage than the ratepayers in the former United Utilities System, which is discriminatory to those ratepayers and should, therefore, be denied, pursuant to A.R.S. §40-203. The former C & S System is comprised of Gisela and Tonto Creek Shores, not DCV, as was incorrectly stated on the Public Notice[26] issued in this case.

At the Direct Testimony of Jian Liu, Utilities Engineer - Water/Wastewater in the Utilities Division of the ACC, Mr. Liu states that an ADEQ report noted significant violations in the MdC system[27]. Also noted in his testimony is an ADWR report that shows PWC is not in compliance with departmental requirements governing water providers and/or community water systems[25]. KMR has filed a Motion for Discovery requesting Staff provide a copy of these ADEQ and ADWR compliance status reports and has received them. KMR asks that no decision is rendered in this case until it can be shown that PWC has achieved compliance with both ADEQ and ADWR requirements.

It is also noted in the Engineering section of the Staff Report that PWC is not located in any Active Management Area, "AMA", and therefore PWC is not subject to ADWR AMA reporting and conservation requirements[28]. It is unreasonable, therefore, to impose "conservation" type of rates (a tiered structure) on any of these rural communities, without just cause. The communities of Gisela and DCV are at a much lower elevation than the other six communities, which means that seasonal daily temperatures can be significantly hotter there. Please refer to Exhibit KMR-8 for documentation showing the elevation of each of these eight communities. Consumers in the communities of Gisela and

[25] See Document #0000150385, Rebuttal Testimony of Thomas J. Bourassa, pages 13 & 14.
[26] See Document #0000149527, Direct Testimony of Kathleen M. Reidhead, page 2, lines 11-22.
[27] See Document #0000149555, Page 13 of the Engineering Report by Jian Liu, Utilities Engineer.
[28] See Document #0000149555, Direct Testimony of Jian W. Liu, Utilities Engineer, Page 4, lines 5-9.

DCV exhibit higher water usage patterns, as noted on Page 11 of the Engineering Report, than consumers in the other 6 communities, which can reasonably be attributed to different weather conditions as well as abundant water resources[29]. Based on this evidence, it would be discriminatory to impose conservation rates on these 2 communities. The current rate proposals should, therefore, be denied, pursuant to A.R.S. §40-203.

It is noted that the ACC has not ruled on a Motion for Intervention filed by Glynn Ross of Gisela[30]. KMR requests that Judge Nodes rule on that request without further delay. As a member of the class of ratepayers from the former C & S System, Glynn Ross has much at stake with the consolidation of rates being proposed. Therefore, Glynn Ross should be granted his legal right to participate as an Intervener, as requested in his timely filed Application for Intervention.

Lastly, KMR attaches her water bill for her Phoenix home as Exhibit KMR-9 to show that for the period of 10/8/2013 through 11/7/2013, her 2-person household consumed 10,472 gallons of water with no "conservation" type of restrictions being imposed. It is shown on the water usage chart that usage was at or above 20,000 gallons/month for 3 months last year because her household uses water without restraint. She enjoys a swimming pool and grass and beautiful plants and trees in the yard, which are all important elements in the quality of her life. While intrinsic value may be difficult to quantify, it should also be afforded consideration in this matter. She asks that the people of Gisela and DCV are shown similar consideration for quality of their lifestyle, where water should be delivered at very low rates, as there is no scarcity of water in those communities.

KMR requests a continuance in this case until such time that the following can be accomplished: 1) Full cost of service studies be conducted for each of the eight communities and new proposals be made for rates based, in part, on results of these studies 2) Business plan and budget to renovate each water system be submitted by PWC 3) Investigation into the missing $755,709 Company owned asset from the condemnation sale of the Star Valley/Quail Valley water system be conducted and that asset be returned to the Company 4) Subpoena source documentation from BUI to substantiate the cost of plant additions claimed during the years 2000 to 2012 5) Acquire compliance certifications from ADEQ and ADWR 6) Public comment be taken in the Payson area, as requested by Intervener Bill Sheppard and 7) Curtailment tariff be modified to remove DCV.

Respectfully submitted this 20th day of December, 2013.

By Kathleen M. Reidhead

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[29] See Exhibit KMR-1 attached.
[30] Document #0000149163 submitted on October 29, 2013.

ORIGINAL and thirteen (13) copies
of the foregoing were filed this 20th
day of December, 2013 with:

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EXHIBIT KMR-1

Section 5.3

Tonto Creek Basin

from the Report: Arizona Water Atlas - Volume 5

available at:

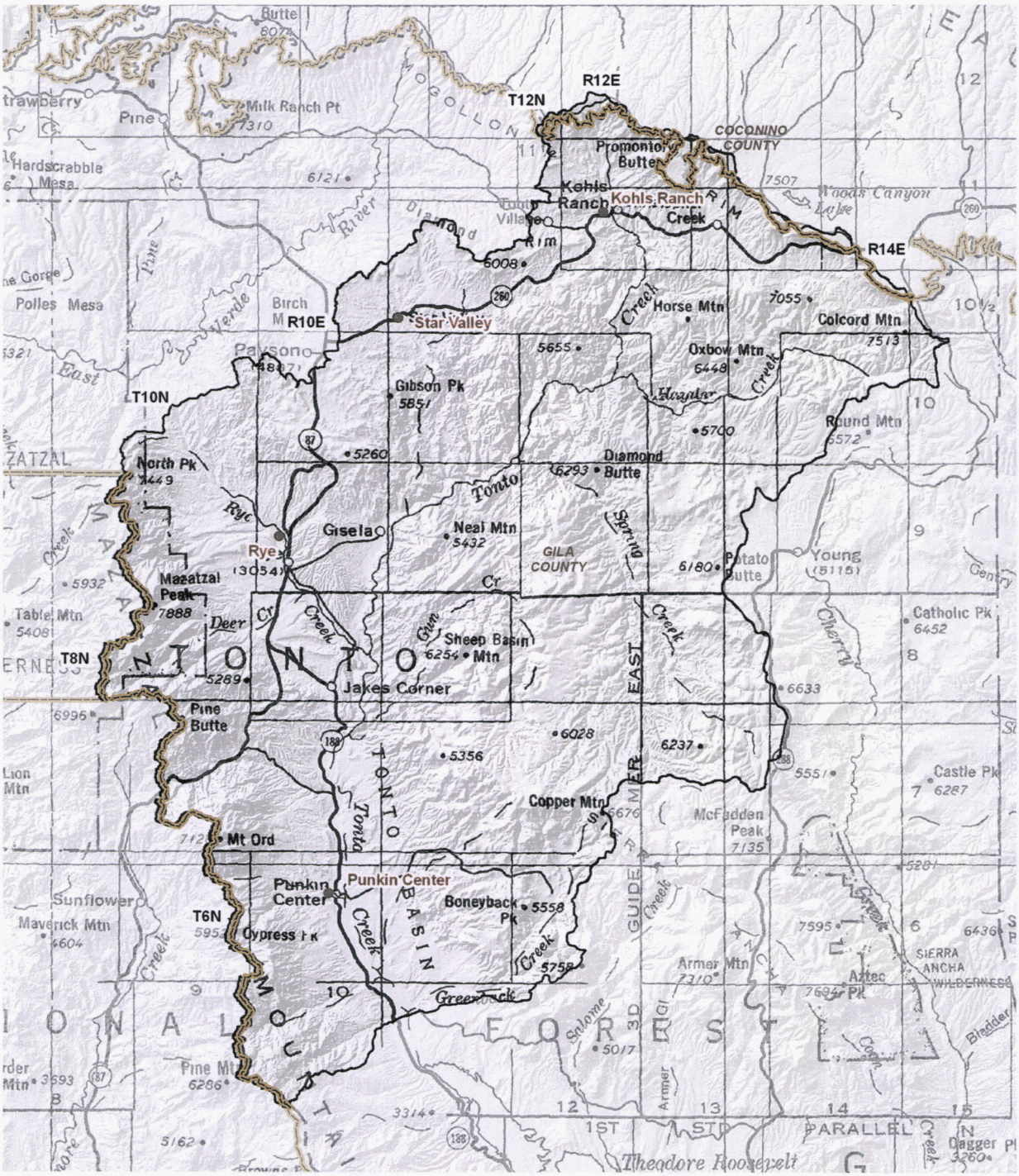
http://www.azwater.gov/AzDWR/StatewidePlanning/wateratlas/CentralHighlands/default.htm

37 pages numbered from 166 to 202

5.3.1 Geography of the Tonto Creek Basin

The Tonto Creek Basin, located in the east central part of the planning area is 955 square miles in area. Geographic features and principal communities are shown on Figure 5.3-1. The basin is characterized by mid-elevation mountain ranges. Vegetation types include Arizona uplands Sonoran desertscrub, semi-desert grassland, interior chaparral, Great Basin conifer and madrean evergreen woodlands and montane conifer forests. (see Figure 5.0-10) Riparian vegetation is found along streams including mixed broadleaf, tamarisk and mesquite along Tonto Creek.

- Principal geographic features shown on Figure 5.3-1 are:
    - Tonto Creek running north to south through the center of the basin from Kohls Ranch and exiting the basin about eight miles south of Punkin Center
    - Rye Creek flowing through Rye in the western portion of the basin
    - Spring Creek and Hayler Creek flowing from the eastern basin boundary to Tonto Creek
    - Tonto Basin located in the south central part of the basin along Tonto Creek
    - Mogollon Rim along the northern basin boundary and the Sierra Ancha Mountains (not labeled on the map) along the eastern boundary
    - Mazatzal Mountains along the western boundary, which contain the highest point in the basin, Mazatzal Peak at 7,888 feet
    - The lowest point in the basin is about 5,000 feet along Tonto Creek where it exits the basin



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Base Map: USGS 1:500,000, 1981

Figure 5.3-1
Tonto Creek Basin
Geographic Features

COUNTY
City, Town or Place

5.3.2 Land Ownership in the Tonto Creek Basin

Land ownership, including the percentage of ownership by category, for the Tonto Creek Basin is shown in Figure 5.3-2. The principal feature of land ownership in this basin is the large amount of forest service land. A description of land ownership data sources and methods is found in Volume 1, Appendix A. More detailed information on protected areas is found in Section 5.0.4. Land ownership categories are discussed below in the order from largest to smallest percentage in the basin.

National Forest

- 97.5% of the land is federally owned and managed by the United States Forest Service (USFS); the largest percentage of any basin in the planning area.
- Forest lands in the basin are part of the Tonto National Forest.
- The basin contains two wilderness areas, a portion of the 250,053-acre Mazatzal Wilderness and the entire 37,399-acre Hellsgate Wilderness. (see Figure 5.0-13)
- There are numerous small private in-holdings.
- Land uses include recreation, grazing and timber production.

Private

- 2.4% of the land is private.
- Small in-holdings of private land are scattered throughout the basin with a number of larger parcels in the vicinity of Punkin Center and Star Valley.
- Land uses include domestic, commercial and ranching.

Indian Reservation

- 0.1% of the land is under ownership of the Tonto Apache tribe, located southwest of Star Valley.
- Land use includes domestic and ranching.

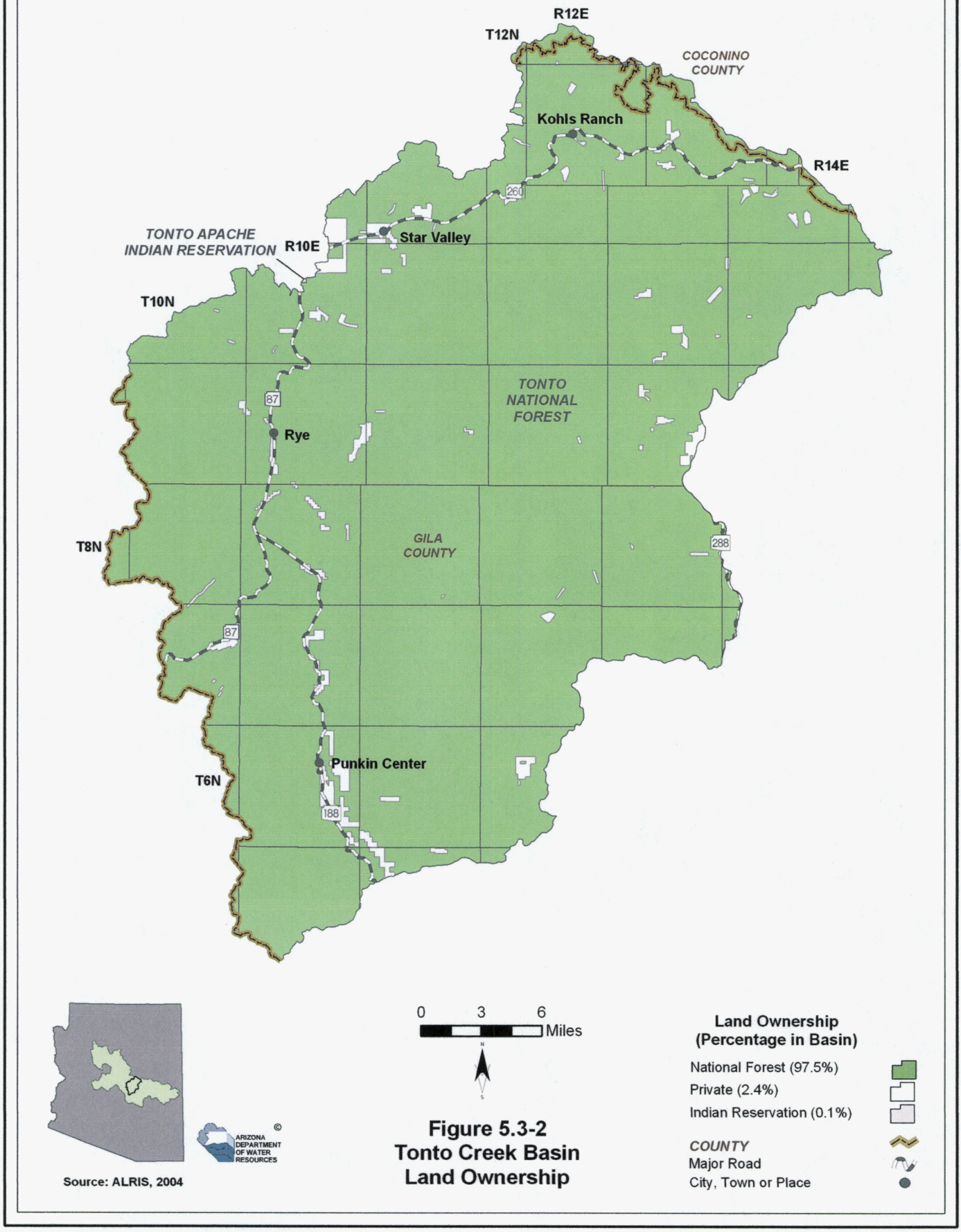

Figure 5.3-2
Tonto Creek Basin
Land Ownership

5.3.3 Climate of the Tonto Creek Basin

Climate data from NOAA/NWS Co-op Network and SNOTEL/Snowcourse stations are compiled in Table 5.3-1 and the locations are shown on Figure 5.3-3. Figure 5.3-3 also shows precipitation contour data from the Spatial Climate Analysis Service (SCAS) at Oregon State University. The Tonto Creek Basin does not contain Evaporation Pan or AZMET stations. More detailed information on climate in the planning area is found in Section 5.0.3. A description of the climate data sources and methods is found in Volume 1, Appendix A.

NOAA/NWS Co-op Network

- Refer to Table 5.3-1A
- There are three NOAA/NWS Co-op network climate stations in the basin. The average monthly maximum temperature occurs in July at all stations and ranges between 86.8°F at Reno R.S. and 81.9°F at Gisela. The average monthly minimum temperature occurs in January or December and ranges between 40.8°F at Gisela and 45.3°F at Punkin Center.
- Highest average seasonal rainfall occurs in the winter (January – March) and fall (October-December). For the period of record used, the highest annual rainfall is 19.77 inches at Reno R.S. and the lowest is 18.23 inches at Punkin Center.

SNOTEL/Snowcourse

- Refer to Table 5.3-1D
- There are two stations in this basin, Promontory Butte and Promontory (SNOTEL). The Promontory Butte station was discontinued in 1989.
- Both stations are at an elevation of 7,930 feet and record highest average snowpack in April.
- The highest average snowpack at Promontory Butte is 15.1 inches and at Promontory (SNOTEL) is 13.8 inches.

SCAS Precipitation Data

- See Figure 5.3-3
- Additional precipitation data shows rainfall as high as 38 inches on the northern basin boundary at the Mogollon Rim and as low as 14 inches on the southern basin boundary south of Punkin Center.

Table 5.3-1 Climate Data for the Tonto Creek Basin

A. NOAA/NWS Co-op Network:

Station Name	Elevation (in feet)	Period of Record Used for Averages	Average Temperature Range (in F)		Average Total Precipitation (in inches)				
			Max/Month	Min/Month	Winter	Spring	Summer	Fall	Annual
Gisela	2,900	1895-2004[1]	81.9/Jul	40.8/Dec	6.53	1.39	6.10	4.89	18.91
Reno R.S.	2,420	1915-1973[1]	86.8/Jul	45.1/Jan	3.51	1.05	6.58	8.61	19.77
Punkin Center	2,360	1971-2000	85.9/Jul	45.3/Dec	6.92	1.23	4.83	5.24	18.23

Source: WRCC, 2005

Notes:
[1]Average temperature for period of record shown; average precipitation from 1971-2000

B. Evaporation Pan:

Station Name	Elevation (in feet)	Period of Record Used for Averages	Avg. Annual Evap (in inches)
None			

C. AZMET:

Station Name	Elevation (in feet)	Period of Record	Average Annual Reference Evaportranspiration, in inches *(Number of years to calculate averages)*
None			

D. SNOTEL/Snowcourse:

Station Name	Elevation (in feet)	Period of Record	Average Snowpack, at Beginning of the Month, as Inches Snow Water Content *(Number of measurements to calculate average)*					
			Jan.	Feb.	March	April	May	June
Promontory Butte	7,930	1973 - 1989 (discontinued)	4.2 *(10)*	8.4 *(13)*	13.7 *(16)*	15.1 *(15)*	11.3 *(1)*	0 *(0)*
Promontory SNOTEL	7,930	1973 - current	3.7 *(27)*	8.0 *(30)*	13.4 *(33)*	13.8 *(32)*	2.1 *(24)*	0 *(23)*

Source: Natural Resources Conservation Service, 2006

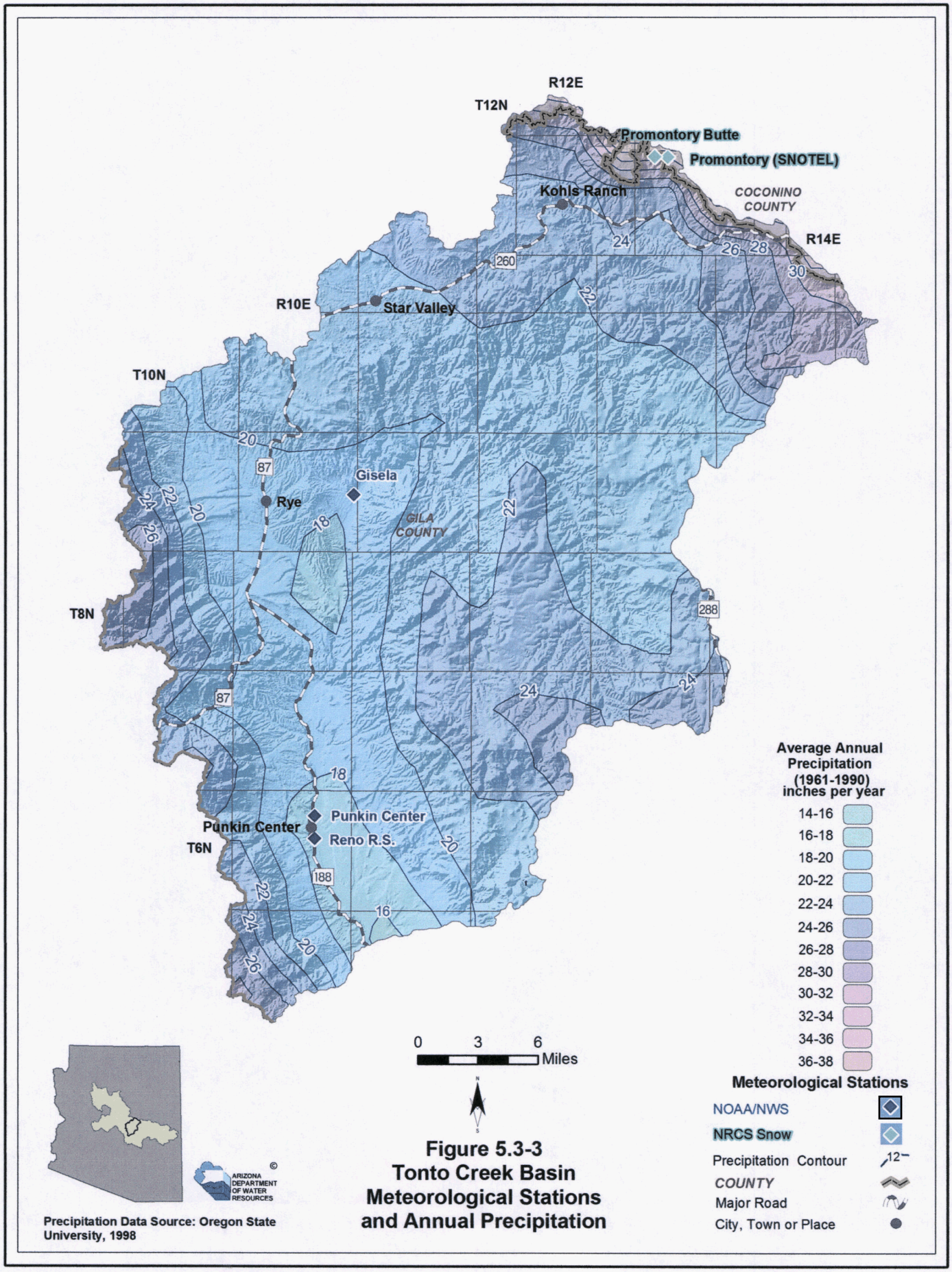

Figure 5.3-3
Tonto Creek Basin
Meteorological Stations
and Annual Precipitation

5.3.4 Surface Water Conditions in the Tonto Creek Basin

Streamflow data, including average seasonal flow, average annual flow and other information is shown in Table 5.3-2. Flood ALERT equipment in the basin is shown in Table 5.3-3. Reservoir and stockpond data, including maximum storage or maximum surface area, are shown in Table 5.3-4. The location of streamflow gages identified by USGS number, flood ALERT equipment and USGS runoff contours are shown on Figure 5.3-5. Descriptions of stream, reservoir and stockpond data sources and methods are found in Volume 1, Appendix A.

Streamflow Data

- Refer to Table 5.3-2.
- Data from four stations located on two watercourses are shown in the table and on Figure 5.3-5.
- The average seasonal flow at all stations is highest in the winter (January-March) and lowest in the summer (July-September).
- The largest annual flow recorded is 469,256 acre-feet in 1978 at the Tonto Creek above Gun Creek near Roosevelt station and the smallest is 1,245 acre-feet in 1971 at the Rye Creek near Gisela station. For a hydrograph of Tonto Creek above Gun Creek near Roosevelt station from 1941-2008 see Figure 5.3-4.

Flood ALERT Equipment

- Refer to Table 5.3-3.
- As of October 2005 there were nine stations in the basin.

Reservoirs and Stockponds

- Refer to Table 5.3-4.
- The basin does not contain any large reservoirs.
- Surface water is stored or could be stored in one small reservoir in the basin.
- There are 389 registered stockponds in this basin.

Runoff Contour

- Refer to Figure 5.3-5.
- Average annual runoff is two inches per year, or 106.6 acre-feet per square mile, in the southern tip of the basin and increases to five inches per year, or 266.5 acre-feet per square mile, in the northern portion of the basin.

Figure 5.3-4 Annual Flows (acre-feet) at Tonto Creek above Gun Creek near Roosevelt, water years 1941-2008 (Station #9499000)

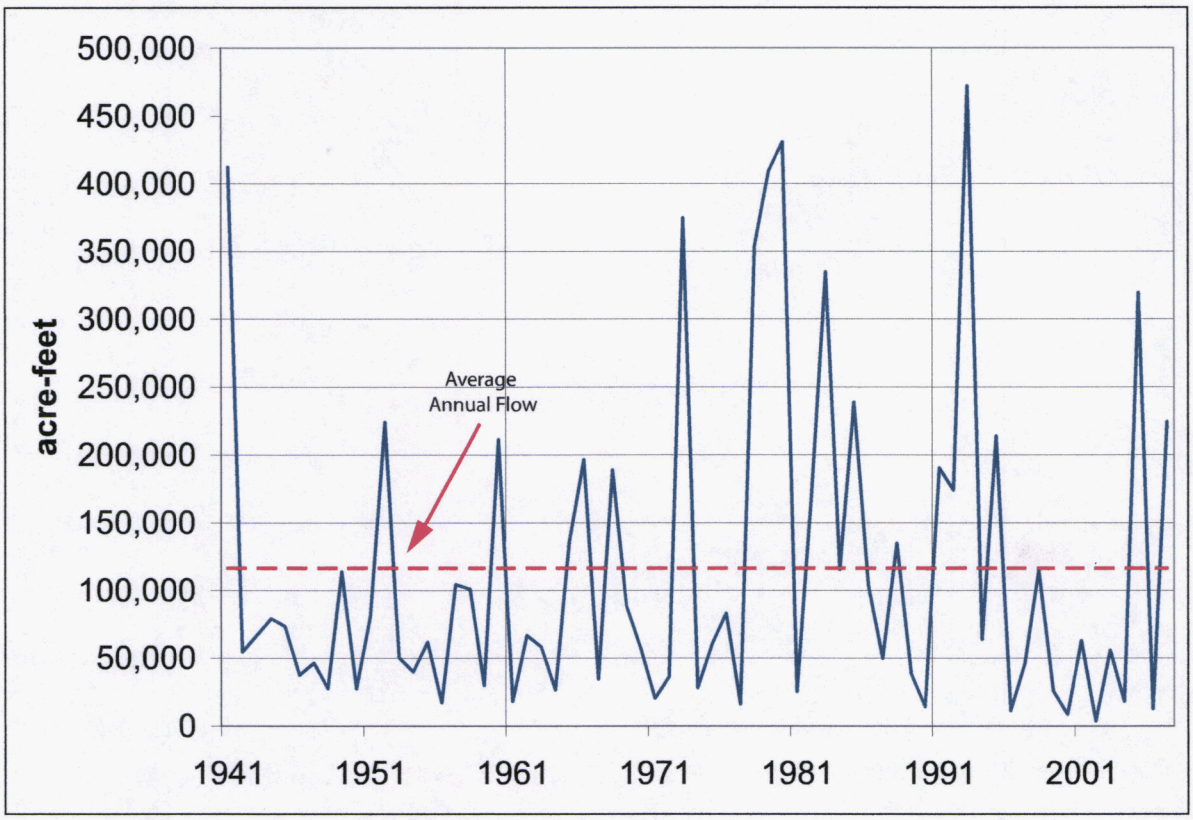

Table 5.3-2 Streamflow Data for the Tonto Creek Basin

Station Number	USGS Station Name	Drainage Area (in mi^2)	Gage Elevation (in feet)	Period of Record	Average Seasonal Flow (% of annual flow)				Annual Flow (in acre-feet/year)				Years of Annual Flow Record
					Winter	Spring	Summer	Fall	Minimum	Median	Mean	Maximum	
9498800	Tonto Creek near Gisela	430	2,940	12/1964-9/1975 (discontinued)	43	15	8	33	32,796 (1974)	68,705	93,147	236,741 (1965)	10
9498870	Rye Creek near Gisela	122	2,730	12/1965-9/1985 (discontinued)	65	10	7	18	1,245 (1971)	9,267	19,030	64,289 (1978)	19
9499000	Tonto Creek above Gun Creek near Roosevelt	675	2,523	12/1940-current (real-time)	61	12	8	19	2,853 (2002)	66,297	113,232	469,256 (1978)	62
9499500	Tonto Creek near Roosevelt	841	NA	10/1913-12/1940 (discontinued)	59	17	10	15	17,452 (1934)	89,796	104,292	225,214 (1916)	27

Source: USGS (NWIS) 2005 & 2008

Notes:
Statistics based on Calendar Year
Annual Flow statistics based on monthly values
Summation of Average Annual Flows may not equal 100 due to rounding
Period of record may not equal Year of Record used for annual Flow/Year statistics due to only using years with a 12 month record
In Period of Record, current equals November 2008
Seasonal and annual flow data used for the statistics was retrieved in 2005
NA = Data not currently available to ADWR

Table 5.3-3 Flood ALERT Equipment in the Tonto Creek Basin

Station ID	Station Name	Station Type	Install Date	Responsibility
51	Upper Deer Creek	Precipitation	NA	Gila County FCD
54	Christopher Creek	Precipitation	5/1/2005	Gila County FCD
67	Rock Creek (Rye Tributary)	Precipitation	NA	Gila County FCD
80	Hardt Creek @ SR 87	Precipitation/Stage	NA	Gila County FCD
92	Little Pine Flat	Precipitation	8/29/2005	Gila County FCD
930	Deer Creek Shake Ridge (Bar T Bar North)	Precipitation	NA	Gila County FCD
931	Upper Rye Creek	Precipitation	NA	Gila County FCD
3900	Houston Creek	Precipitation/Stage	10/26/2005	Gila County FCD
5960	Mt. Ord Repeater	Repeater/Precipitation	10/28/1982	Maricopa County FCD

Source: ADWR 2005b

Notes:
FCD = Flood Control District
NA = Data not currently available to ADWR

Table 5.3-4 Reservoirs and Stockponds in the Tonto Creek Basin

A. Large Reservoirs (500 acre-feet capacity and greater)

MAP KEY	RESERVOIR/LAKE NAME (Name of dam, if different)	OWNER/OPERATOR	MAXIMUM STORAGE (AF)	USE	JURISDICTION
None identified by ADWR at this time					

B. Other Large Reservoirs (50 acre surface area or greater)

MAP KEY	RESERVOIR/LAKE NAME (Name of dam, if different)	OWNER/OPERATOR	MAXIMUM SURFACE AREA (acres)	USE	JURISDICTION
None identified by ADWR at this time					

Source: Compilation of databases from ADWR & others

C. Small Reservoirs (greater than 15 acre-feet and less than 500 acre-feet capacity)

Total number: 1
Total maximum storage: 20 acre-feet

D. Other Small Reservoirs (between 5 and 50 acres surface area)

Total number: 0
Total surface area: 0 acres

E. Stockponds (up to 15 acre-feet capacity)

Total number: 389 (from water right filings)

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Stream Data Source: ALRIS, 2005b

0 3 6 Miles

N
S

Figure 5.3-5
Tonto Creek Basin
Surface Water Conditions

USGS Annual Runoff Contour for 1951-1980 (in inches) — 2

Stream Channel (width of line reflects stream order)

USGS Gage & Station ID — 9999999

Flood ALERT Equip. & Station ID — 9999

COUNTY

Major Road

City, Town or Place

5.3.5 Perennial/Intermittent Streams and Major Springs in the Tonto Creek Basin

Major and minor springs with discharge rates and date of measurement, and the total number of springs in the basin are shown in Table 5.3-5. The locations of major springs and perennial and intermittent streams are shown on Figure 5.3-6. Descriptions of data sources and methods for intermittent and perennial reaches and springs are found in Volume 1, Appendix A.

- Perennial streams in this basin include Tonto Creek, Haigler Creek, Spring Creek, Dell Shay Creek, Houston Creek, Christopher Creek and Greenback Creek.
- There are numerous intermittent streams located throughout the basin.
- There are 10 major springs with a measured discharge of 10 gallons per minute (gpm) or greater at any time. The largest discharge rate is 1,291 gpm at Tonto spring.
- Springs with measured discharge of 1 to 10 gpm are not mapped but coordinates are given in Table 5.3-5B. There are seven minor springs identified in this basin.
- Listed discharge rates may not be indicative of current conditions. Only six springs have measured discharges in the past decade.
- The total number of springs, regardless of discharge, identified by the USGS varies from 169 to 175, depending on the database reference.

Table 5.3-5 Springs in the Tonto Creek Basin

A. Major Springs (10 gpm or greater):

Map Key	Name	Location		Discharge (in gpm)[1]	Date Discharge Measured
		Latitude	Longitude		
1	Tonto	342312	1110541	1,291	During or prior to 2001
2	R-C	341827	1110311	800	5/14/1952
3	Horton	342217	1110333	392	10/2/2002
4	See	342108	1110039	84	During or prior to 2002
5	Nappa	342118	1110111	70	8/17/1966
6	Henturkey[2]	342037	1110541	60	10/17/1952
7	Wildcat/Arsenic	341726	1111031	59	10/20/1952
8	Indian Gardens	341926	1110610	26	During or prior to 2002
9	Winters # 3	342235	1110633	20	5/16/1952
10	Unnamed[2]	342043	1110054	15	8/17/1966

B. Minor Springs (1 to 10 gpm):

Name	Location		Discharge (in gpm)[1]	Date Discharge Measured
	Latitude	Longitude		
Bootleg	341852	1110358	8	During or prior to 2001
Allenbaugh	341620	1105353	8[3]	4/19/2001
Turkey-south	341356	1111752	5[4]	5/14/1952
Blue-south	341007	1111943	4	5/14/1952
Bear Flat/ Columbine	341716	1110357	4	7/16/1975
Winters # 1	342233	1110634	1	5/16/1952
Winters # 2	342233	1110634	1	During or prior to 1952

Source: Compilation of databases from ADWR & others

C. Total number of springs, regardless of discharge, identified by USGS (see ALRIS, 2005a and USGS, 2006a): 169 to 175

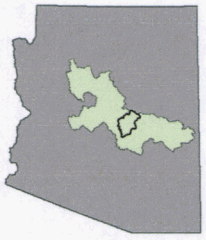
Notes:

[1]Most recent measurement identified by ADWR

[2]Spring is not displayed on current USGS topo maps

[3]Discharge measurements vary. Shown is greatest measured discharge; most recent measurement < 1 gpm

[4]Average gpm



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Stream Data Source: AGFD, 1993 & 1997

Figure 5.3-6
Tonto Creek Basin
Perennial/Intermittent Streams and Major (>10 gpm) Springs

5.3.6 Groundwater Conditions of the Tonto Creek Basin

Major aquifers, well yields, estimated natural recharge, estimated water in storage, number of index wells and date of last water-level sweep are shown in Table 5.3-6. Figure 5.3-7 shows aquifer flow direction and water-level change between 1990-1991 and 2003-2004. Figure 5.3-8 contains hydrographs for selected wells shown on Figure 5.3-7. Figure 5.3-9 shows well yields in five yield categories. A description of aquifer data sources and methods as well as well data sources and methods, including water-level changes and well yields are found in Volume 1, Appendix A.

Major Aquifers

- Refer to Table 5.3-6 and Figure 5.3-7.
- The major aquifers in the basin are basin fill and sedimentary rock (C and R aquifers).
- Most of the basin geology consists of consolidated crystalline and sedimentary rocks.
- Flow direction is generally from the north to the south.

Well Yields

- Refer to Table 5.3-6 and Figure 5.3-9.
- As shown on Figure 5.3-9, well yields in this basin range from less than 100 gallons per minute (gpm) to greater than 2,000 gpm.
- One source of well yield information, based on 51 reported wells, indicates that the median well yield in this basin is 120 gpm.
- The highest well yields in the basin are located along Highway 188 north of Punkin Center.

Natural Recharge

- Refer to Table 5.3-6.
- Natural recharge estimates for this basin range from 17,000 acre-feet per year (AFA) to 37,000 AFA.

Recharge Sites

- Refer to Figure 5.3-7.
- There is one permitted recharge facility in this basin, ADOT-Payson (permit no. 71-579155.0001), that recharges surface water to the aquifer.
- Under the permit the facility's maximum annual storage is 150 acre-feet.

Water in Storage

- Refer to Table 5.3-6.
- Storage estimates for this basin range from 2.0 million acre-feet (maf) to 9.4 maf to a depth of 1,200 feet.

Water Level

- Refer to Figure 5.3-7. Water levels are shown for wells measured in 2003-2004.
- The Department annually measures 13 index wells in this basin. Hydrographs for three of these wells are shown in Figure 5.3-8.
- There is one ADWR automated water-level recording device in this basin located near Star

Valley.

- These data show the deepest recorded water level in the basin is 106 feet east of Kohls Ranch and the shallowest is 14 feet near Punkin Center.

Table 5.3-6 Groundwater Data for the Tonto Creek Basin

Basin Area, in square miles:	955	
Major Aquifer(s):	**Name and/or Geologic Units**	
	Basin Fill	
	Sedimentary Rock (C and R Aquifers)	
Well Yields, in gal/min:	N/A	Measured by ADWR (GWSI) and/or USGS
	Range 5-2,200 Median 120 (51 wells reported)	Reported on registration forms for large (>10-inch) diameter wells (Wells55)
	Range 10-50	ADWR (1990)
	Range 0-500	Anning and Duet (1994)
Estimated Natural Recharge, in acre-feet/year:	17,000	ADWR (1994b)
	37,000	Freethey and Anderson (1986)
Estimated Water Currently in Storage, in acre-feet:	3,000,000 (to 1,200 feet)	ADWR (1994b)
	9,400,000 (to 1,200 feet)	ADWR (1992)
	2,000,000[1] (to 1,200 feet)	Freethey and Anderson (1986)
Current Number of Index Wells:	13	
Date of Last Water-level Sweep:	2008 (216 wells measured)	

[1] Predevelopment Estimate
N/A = not available

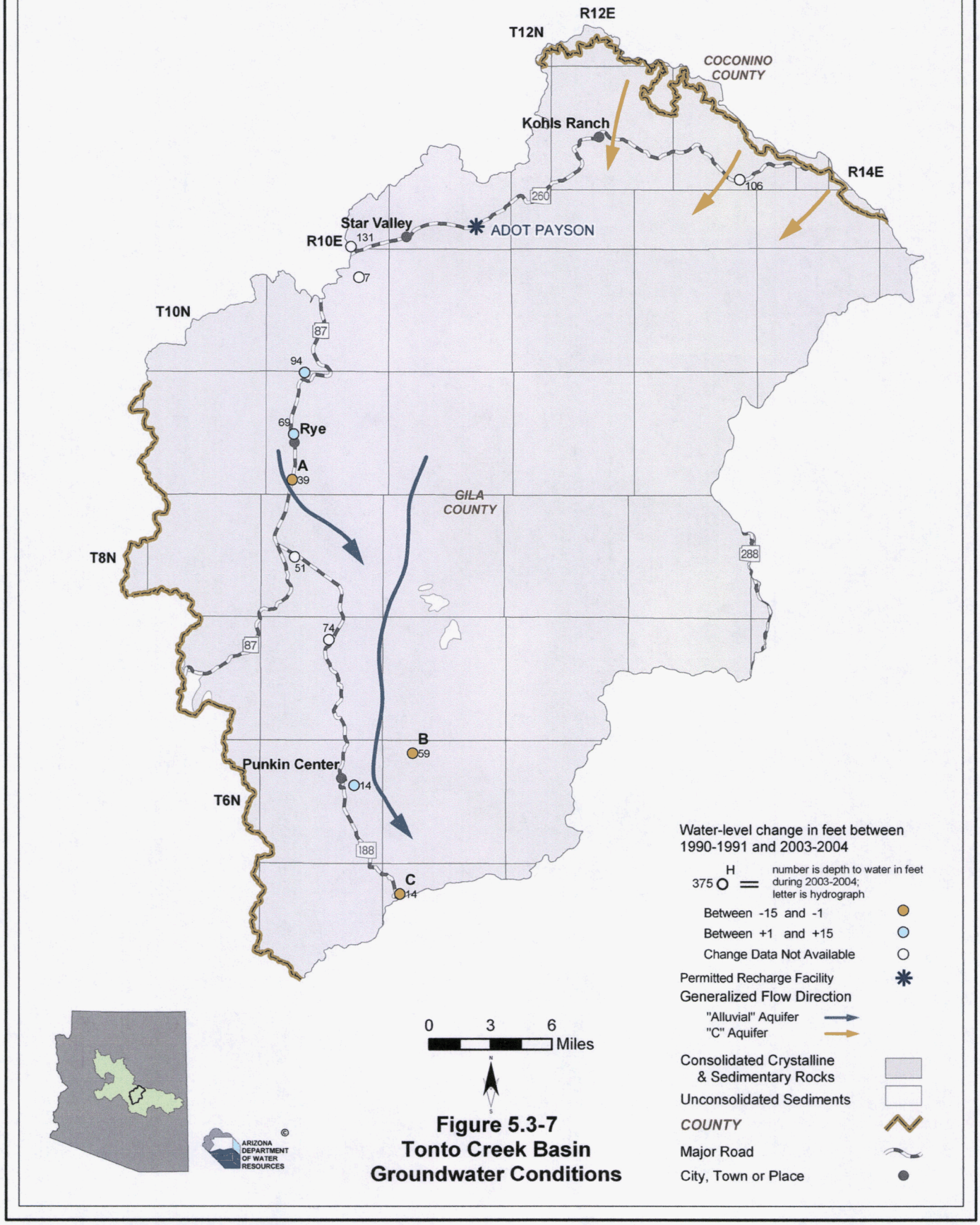
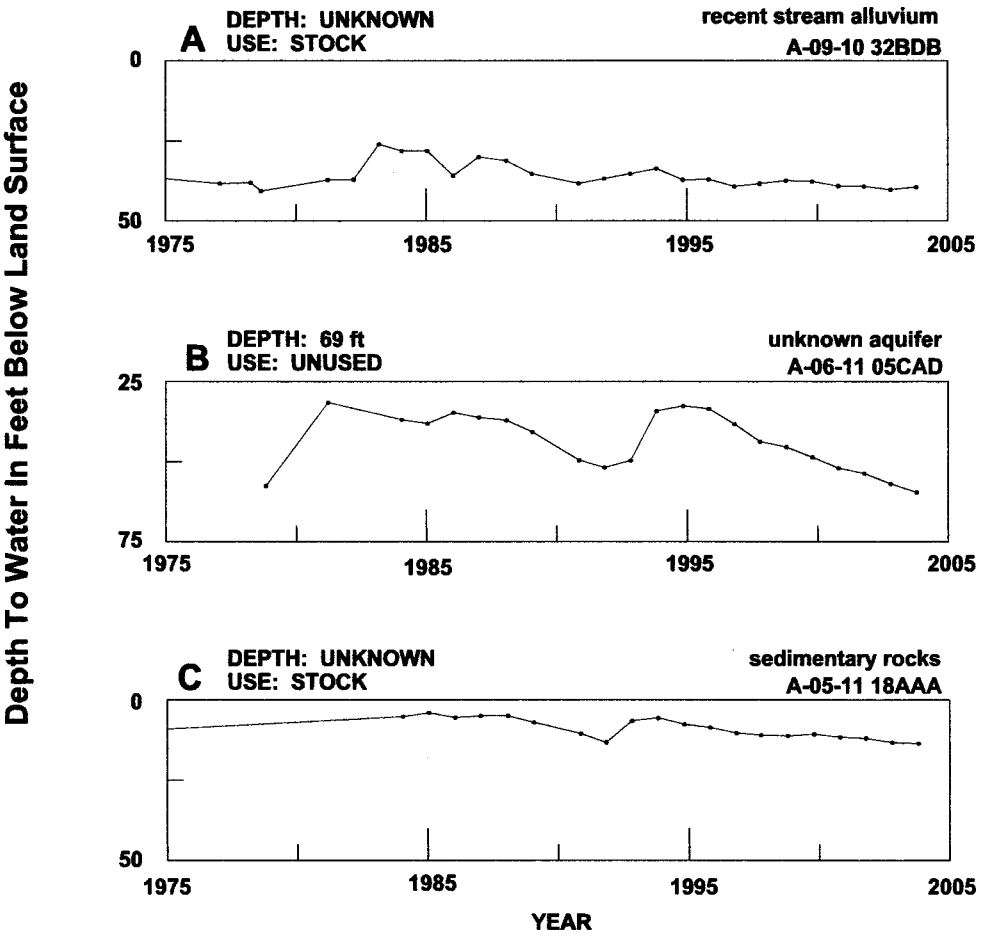


Figure 5.3-7
Tonto Creek Basin
Groundwater Conditions

Figure 5.3-8
Tonto Creek Basin
Hydrographs Showing Depth to Water in Selected Wells



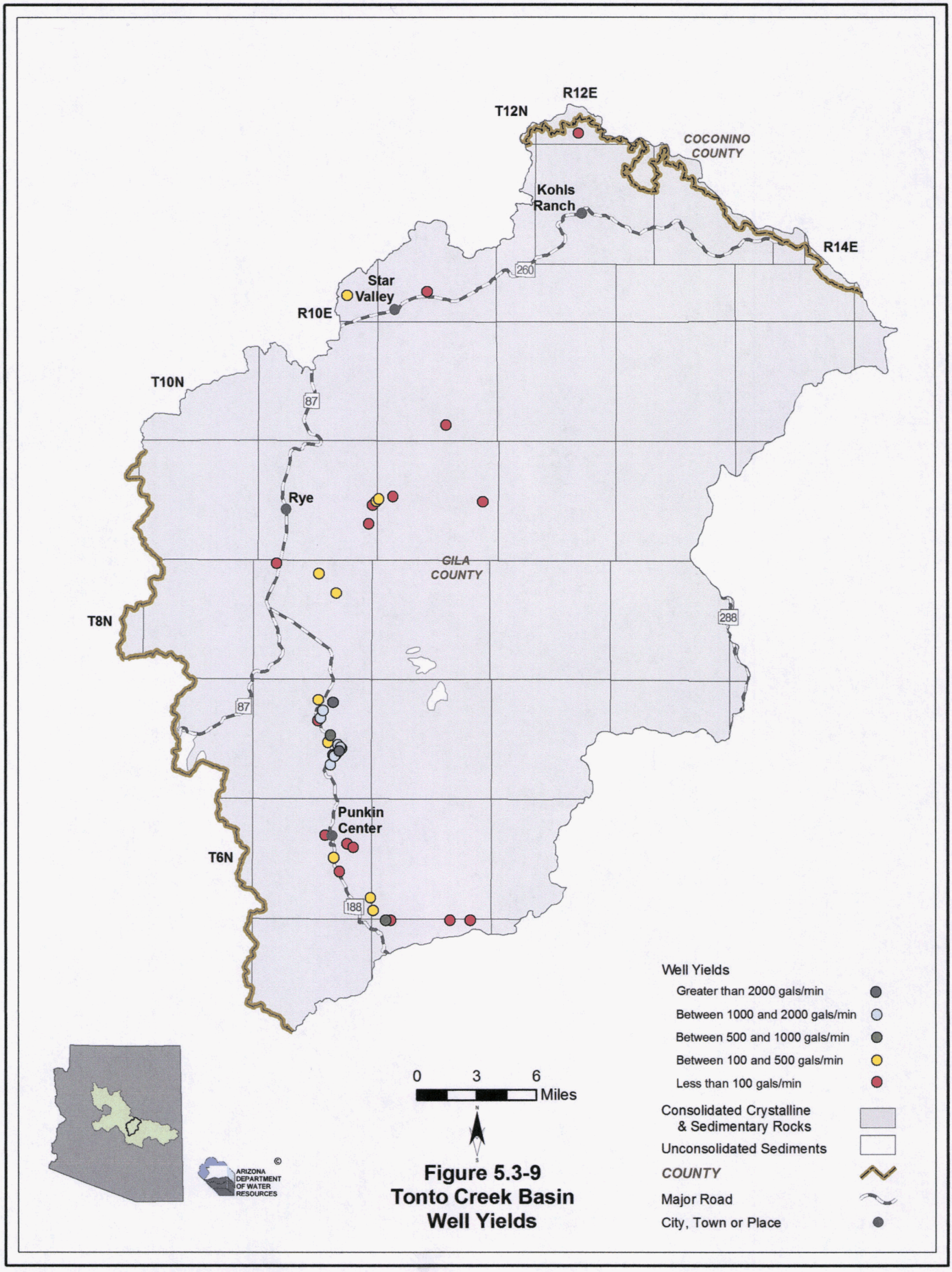


Figure 5.3-9
Tonto Creek Basin
Well Yields

5.3.7 Water Quality of the Tonto Creek Basin

Wells, springs and mine sites with parameter concentrations that have equaled or exceeded drinking water standard(s), including location and parameter(s) are shown in Table 5.3-7A. Impaired lakes and streams with site type, name, length of impaired reach, area of impaired lake, designated use standard and parameter(s) exceeded is shown in Table 5.3-7B. Figure 5.3-10 shows the location of water quality occurrences keyed to Table 5.3-7. All community water systems are regulated under the Safe Drinking Water Act and treat water supplies to meet drinking water standards. Not all parameters were measured at all sites; selective sampling for particular constituents is common. A description of water quality data sources and methods is found in Volume 1, Appendix A.

Well, Mine or Spring sites that have equaled or exceeded drinking water standards (DWS)

- Refer to Table 5.3-7A.
- Nine sites have parameter concentrations that have equaled or exceeded drinking water standards
- Standards equaled or exceeded in this basin include arsenic, nitrate, beryllium, radionuclides and organic compounds.

Lakes and Streams with impaired waters

- Refer to Table 5.3-7B.
- Water quality standards were equaled or exceeded in three stream reaches on two streams.
- The standard exceeded in all reaches was E. coli. The two reaches on Tonto Creek also exceeded the standard for nitrogen.
- All three impaired reaches are part of the ADEQ water quality improvement effort called the Total Maximum Daily Load (TMDL) program. The final TMDL reports for the streams have been completed and draft implementation plans are available for the two reaches on Tonto Creek.

Table 5.3-7 Water Quality Exceedences in the Tonto Creek Basin[1]

A. Wells, Springs and Mines

Map Key	Site Type	Site Location			Parameter(s) Concentration has Equaled or Exceeded Drinking Water Standard (DWS)[2]
		Township	Range	Section	
1	Well	11 North	12 East	34	Rad
2	Well	9 North	10 East	25	As
3	Well	9 North	11 East	18	Rad
4	Well	9 North	12 East	23	As, NO3
5	Well	8 North	10 East	13	NO3
6	Well	8 North	10 East	26	Be
7	Well	8 North	10 East	26	As
8	Well	8 North	10 East	27	As
9	Well	5 North	11 East	8	Organics

Source: Compilation of databases from ADWR & others

B. Lakes and Streams

Map Key	Site Type	Site Name	Length of Impaired Stream Reach (in miles)	Area of Impaired Lake (in acres)	Designated Use Standard[3]	Parameter(s) Exceeding Use Standard[2]
a	Stream	Christopher Creek (headwaters to Tonto Creek)	8	NA	FBC	E. coli
b	Stream	Tonto Creek (headwaters to unnamed tributary latitude 341810, longitude -1110414)	8	NA	A&W, FBC	E. coli, N, DO
c	Stream	Tonto Creek (unnamed tributary latitude 341810, longitude -1110414 to Haigler Creek)	9	NA	A&W, FBC	E. coli, N

Source: ADEQ 2005d

Notes:

[1] Water quality samples taken from 1979 to 2002

[2] As = Arsenic
Be = Beryllium
DO = Dissolved Oxygen
N = Nitrogen
NO3 = Nitrate
Organics = One or more of several volatile and semi-volatile organic compounds and pesticides
Rad = One or more of the following radionuclides - Gross Alpha, Gross Beta, Radium, and Uranium

[3] A&W = Aquatic and Wildlife
FBC = Full Body Contact
NA = Not Applicable

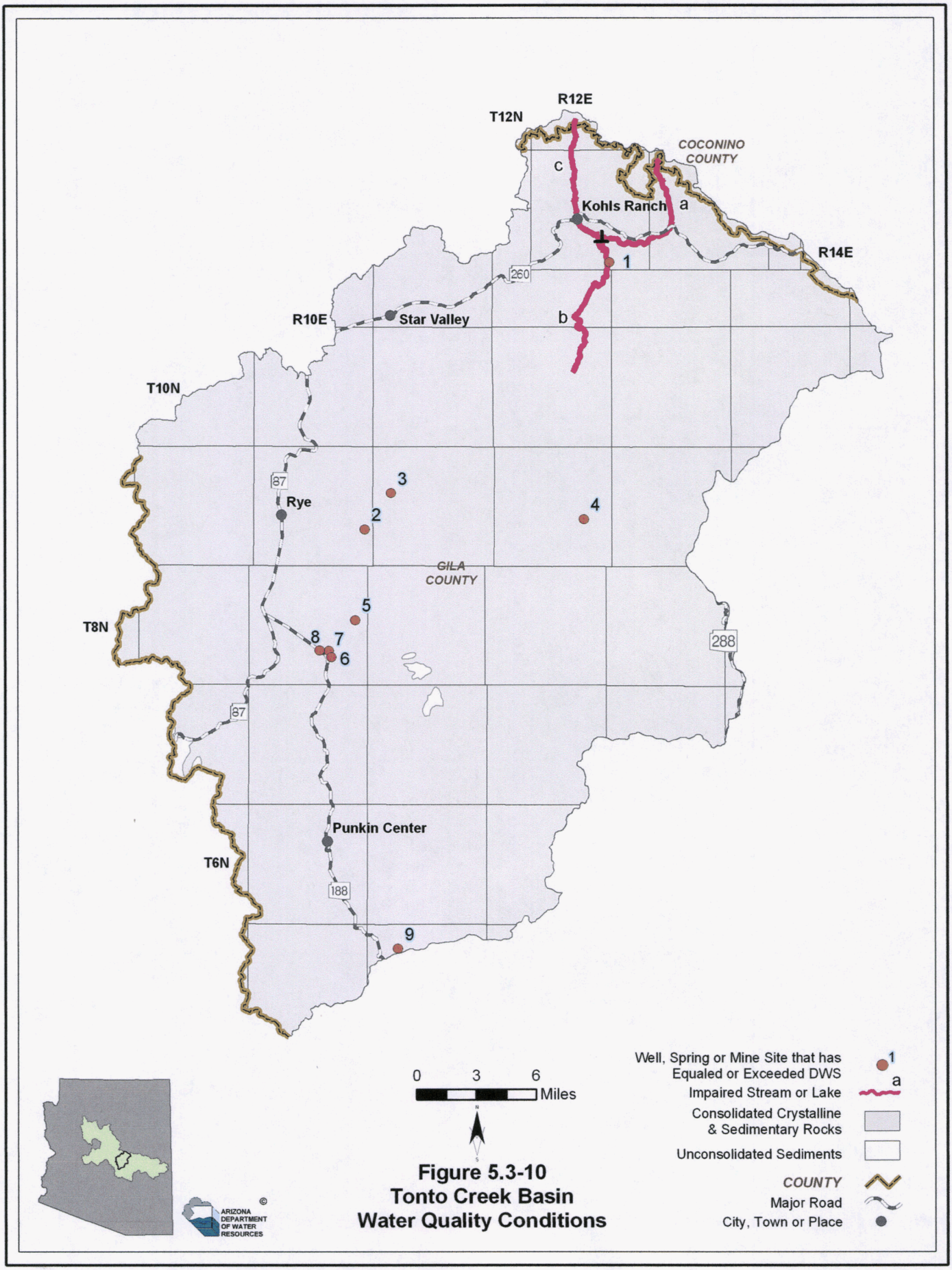


Figure 5.3-10
Tonto Creek Basin
Water Quality Conditions

5.3.8 Cultural Water Demand in the Tonto Creek Basin

Cultural water demand data including population, number of wells and the average well pumpage and surface water diversions by the municipal, industrial and agricultural sectors are shown in Table 5.3-8. Effluent generation including facility ownership, location, population served and not served, volume treated, disposal method and treatment level is shown in Table 5.3-9. Figure 5.3-11 shows the location of demand centers. A description of cultural water demand data sources and methods is found in Volume 1, Appendix A. More detailed information on cultural water demand is found in Section 5.0.7.

Cultural Water Demand

- Refer to Table 5.3-8 and Figure 5.3-11.
- Population in this basin has increased from 1,934 in 1980 to 7,975 in 2000.
- Groundwater use has fluctuated from a low of 2,000 AFA in the 1970s to an average of 4,000 AFA from 1986-1990. During 2001-2005 the average annual groundwater demand was 3,050 AFA.
- Municipal groundwater use has increased from an average of 1,600 AFA in 1991-1995 to 2,400 AFA in 2001-2005.
- There was no reported industrial groundwater use in 1991-1995. In 2001-2005, industrial demand was less than 300 AFA.
- Groundwater demand for irrigation was less than 1,000 AFA during 1991-2005.
- Information on surface water diversions is not available from 1971-1990. From 1991-2005, 1,000 AFA was used for irrigation.
- Municipal and industrial demand is principally found in the vicinity of Payson and Star Valley with smaller demand centers scattered along State Highways 188 and 260 as well as east of Rye.
- A small amount of agriculture is located east of Rye and in T9N, R10E.
- There is one small mine or quarry in this basin along Highway 87 south of Payson.
- As of 2005 there were 1,948 registered wells with a pumping capacity of less than or equal to 35 gpm and 280 wells with a pumping capacity of more than 35 gpm.

Effluent Generation

- Refer to Table 5.3-9.
- There are three wastewater treatment facilities in this basin. Data on population served, volume treated and disposal method was only available for one facility. This facility serves approximately 100 people, generates 13 acre-feet of effluent each year and discharges to Houston Creek.

Table 5.3-8 Cultural Water Demand in the Tonto Creek Basin[1]

Year	Estimated and Projected Population	Number of Registered Water Supply Wells Drilled		Average Annual Demand (in acre-feet)						Data Source
				Well Pumpage			Surface-Water Diversions			
		Q ≤ 35 gpm	Q > 35 gpm	Municipal	Industrial	Agricultural	Municipal	Industrial	Agricultural	
1971		724[2]	102[2]	2,000			NR			ADWR (1994a)
1972										
1973										
1974										
1975										
1976										
1977				2,000			NR			
1978										
1979										
1980	1,934									
1981	2,202	237	33	3,000			NR			
1982	2,470									
1983	2,738									
1984	3,006									
1985	3,275									
1986	3,543	283	28	4,000			NR			
1987	3,811									
1988	4,079									
1989	4,347									
1990	4,615									
1991	4,951	191	25	1,600	NR	<1,000	NR	NR	1,000	USGS (2007) ADWR (2008b) ADWR (2005a) ADWR (1992)
1992	5,287									
1993	5,623									
1994	5,959									
1995	6,295									
1996	6,631	300	62	1,900	<300	<1,000	NR	NR	1,000	
1997	6,967									
1998	7,303									
1999	7,639									
2000	7,975									
2001	8,186	213	30	2,400	<300	<1,000	NR	NR	1,000	
2002	8,398									
2003	8,609									
2004	8,820									
2005	9,032									
2010	10,088									
2020	12,641									
2030	14,538									
	WELL TOTALS:	**1,948**	**280**							

Notes:
NR - Not reported
[1] Does not include effluent or evaporation losses from stockponds and reservoirs.
[2] Includes all wells through 1980.

Table 5.3-9 Effluent Generation in the Tonto Creek Basin

Facility Name	Ownership	City/Location Served	Population Served	Volume Treated/Generated (acre-feet/year)	Disposal Method							Current Treatment Level	Population Not Served	Year of Record
					Water-course	Evaporation Pond	Irrigation	Golf Course/Turf/ Landscape	Wildlife Area	Discharge to another Facility	Infiltration Basins			
Houston Creek Landing WWTP	NA	Star Valley	NA											
Hunter Creek WWTP	Private	Hunter Creek	NA											
Pine Meadows WWTP	Private	Star Valley	108[1]	13	Houston Creek							Tertiery	NA	2007

Source: Compilation of databases from ADWR & others

Notes:
NA: Data not currently available to ADWR
WWTP: Waste Water Treatment Plant
[1]Population increases in the summer

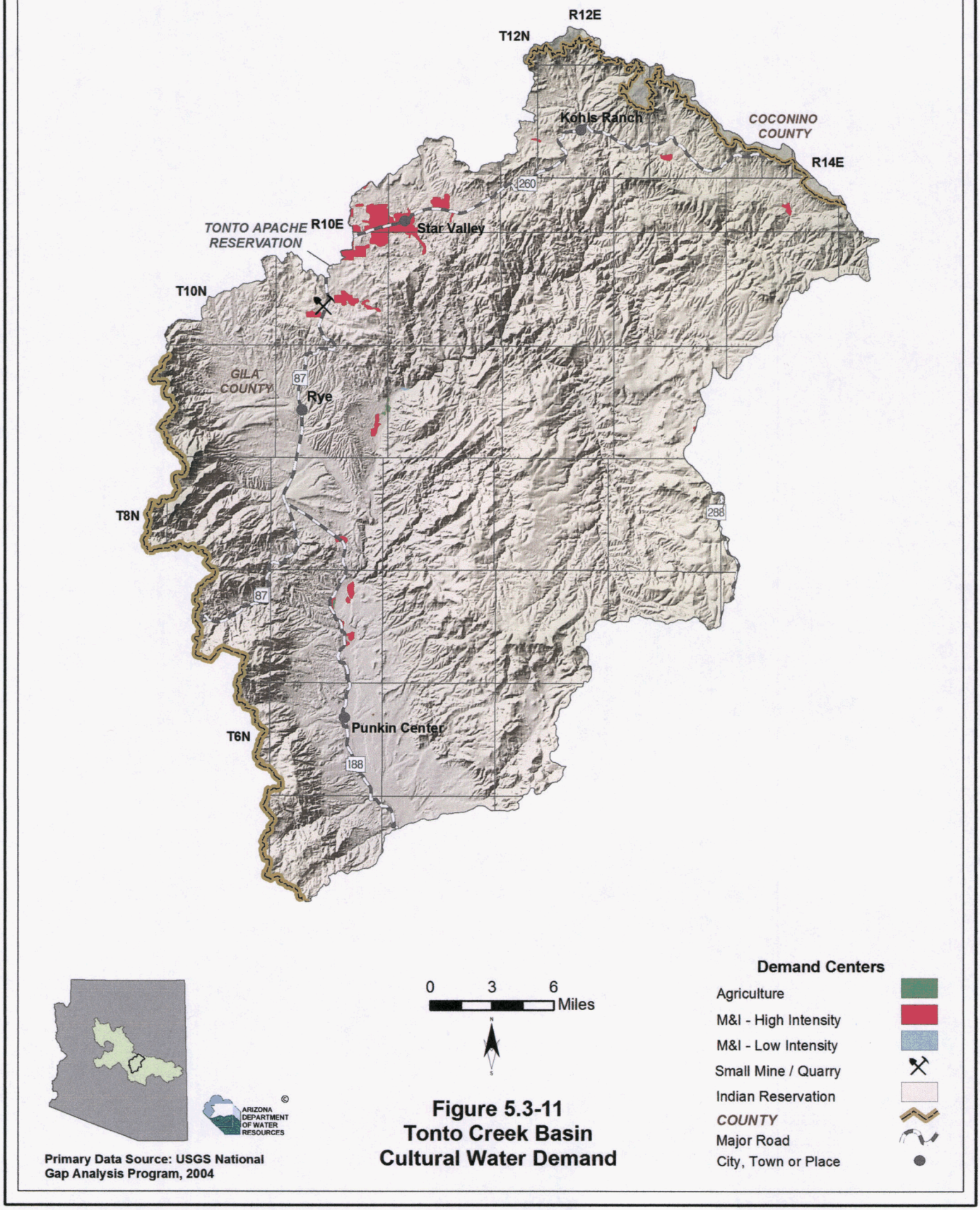


Figure 5.3-11
Tonto Creek Basin
Cultural Water Demand

5.3.9 Water Adequacy Determinations in the Tonto Creek Basin

Water adequacy determination information including the subdivision name, location, number of lots, adequacy determination, reason for the inadequacy determination, date of determination and subdivision water provider are shown in Table 5.3-10A and B for water reports and analysis of adequate water supply. Figure 5.3-12 shows the locations of subdivisions keyed to the Table. A description of the Water Adequacy Program is found in Volume 1, Appendix C. Adequacy determination data sources and methods are found in Volume 1, Appendix A.

- All subdivisions receiving an adequacy determination are in Gila County. Sixty-two water adequacy determinations for 4,184 lots have been made in this basin through December 2008. Four hundred and forty-one lots in eight subdivisions, or 13% of lots, were determined to be adequate.
- The most common reason for an inadequate determination was because the applicant did not submit the necessary information and/or available hydrologic data were insufficient to make a determination.
- One Analysis of Adequate Water Supply application for 34 lots has been approved for this basin.

Table 5.3-10 Adequacy Determinations in the Tonto Creek Basin[1]

A. Water Adequacy Reports

Map Key	Subdivision Name	County	Location			No. of Lots	ADWR File No.[2]	ADWR Adequacy Determination	Reason(s) for Inadequacy Determination[3]	Date of Determination	Water Provider at the Time of Application
			Township	Range	Section						
1	Alpine Heights	Gila	11 North	10 East	26,27,34,35	257	NA	Inadequate	A1,A2	7/11/1978	United Utilities Company
2	Boulder Creek	Gila	10 North	10 East	11	20	53-401552	Inadequate	A1	11/18/2004	Town of Payson
4	Chaparral Estates	Gila	11 North	10 East	35	88	53-400536	Inadequate	A1	6/29/2001	Town of Payson
5	Chaparral Highlands	Gila	11 North	10 East	26	19	53-500026	Inadequate	A1	11/20/2006	Town of Payson
6	Chaparral Pines #1	Gila	11 North	10 East	25, 35, 36	475	53-300080	Inadequate	A1, A2	4/26/1996	Town of Payson
7	Chaparral Pines #2	Gila	11 North	10 East	25, 35, 36	281	53-300281	Inadequate	A1	4/3/1997	Town of Payson
8	Chaparral Ranch	Gila	11 North	10 East	25, 26	14	53-500442	Inadequate	A2, C	2/23/1995	Town of Payson
9	Collins Ranch	Gila	12 North	12 East	32	36	53-500484	Inadequate	A1	1/15/1980	Dry Lot Subdivision
10	Deer Creek Village	Gila	8 North	10 East	5	154	53-500545	Inadequate	A1 ,A2	4/9/1982	NA
11	East Gateway	Gila	10 North	10 East	2	19	53-401982	Inadequate	A1	2/9/2006	Town of Payson
12	East Gateway Phase 2, Lots 20 thru 25	Gila	10 North	10 East	2	6	53-500025	Inadequate	A1	1/18/2007	Town of Payson
13	Elk Ridge	Gila	10 North	10 East	10	108	53-300056	Inadequate	A2, C	10/5/1995	Town of Payson
14	Evergreen Meadows	Gila	10 North	11 East	5, 8	63	53-500626	Inadequate	B	8/11/1975	Dry Lot Subdivision
15	Foothills East	Gila	11 North	10 East	35	6	53-300599	Inadequate	A1	10/19/1998	Town of Payson
16	Forest Edge	Gila	10 North	10 East	11	31	53-700366	Inadequate	A1	7/5/2007	Town of Payson
17	Gisela Heights	Gila	9 North	10 East	24, 25	47	53-500705	Adequate		3/30/1977	Dry Lot Subdivision
18	Golden Frontier #1	Gila	10 North	10 East	10	112	53-500715	Inadequate	A1, A2	1/17/1980	United Utilities Company
19	Golden Frontier #2	Gila	10 North	10 East	10	87	53-500716	Inadequate	A1, A2	8/15/1984	Town of Payson
20	Gordon Canyon Creek	Gila	10.5 North 11 North	14 East 13 East	20 36	7	53-500722	Inadequate	A1, A2	8/10/1976	Dry Lot Subdivision
21	Granite Dells Estates	Gila	10 North	10 East	2, 11	20	53-500725	Inadequate	A1, A2	1/19/1977	Dry Lot Subdivision
22	Greenback Vista Estates	Gila	6 North	10 East	14	35	53-300392	Adequate		9/22/1998	United Utilities Company
23	Green Valley Estates	Gila	10 North	31 East	NA	53	NA	Inadequate	A1	4/26/1994	Town of Payson
24	Haigler Creek Haciendas	Gila	10 North	13 East	13	29	53-500770	Inadequate	A1, B	4/11/1983	Dry Lot Subdivision
25	Highlands at the Rim	Gila	10 North	10 East	2	130	53-400671	Inadequate	A1	2/12/2002	Town of Payson
26	Houston Creek Landing	Gila	11 North	11 East	32	91	53-400372	Inadequate	A1	8/25/2000	Brooke Utilities
27	Hunter Creek Ranch	Gila	11 North	13 East	29, 30, 31, 32	118	53-500811	Adequate		2/27/1990	Hunter Creek Ranch HOA
28	Juniper Ridge	Gila	11 North	10 East	26	6	53-400015	Inadequate	A1	2/9/1999	Town of Payson
29	Knolls, The #01	Gila	11 North	11 East	31	34	53-500845	Inadequate	A1, A2	8/24/1993	United Utilities Company
30	Knolls, The #02	Gila	11 North	11 East	31	22	53-500846	Inadequate	A1, A2	3/28/1994	United Utilities Company
31	Knolls, The #03	Gila	11 North	11 East	31	27	53-300048	Inadequate	A2	1/11/1996	United Utilities Company
32	Kohl's Ranch	Gila	11 North	12 East	21	123	53-300010	Inadequate	A1, A2	5/16/1995	Kohl's Ranch Water Company
33	Kohl's Tonto Creek Ranch	Gila	11 North	12 East	21	20	53-500848	Adequate		7/8/1977	Kohl's Ranch Water Company
34	Oak Ridge Hills	Gila	11 North	10 East	26	9	53-300168	Inadequate	A2	7/1/1996	Town of Payson
35	Pine Gate	Gila	11 North	10 East	36	11	53-300435	Inadequate	A1	4/21/1998	Town of Payson
36	Pine Island at Chaparral Pines	Gila	11 North	10 East	36	43	53-300081	Inadequate	A1, A2	4/26/1996	Town of Payson
37	Pine Ridge	Gila	11 North	11 East	32	36	53-300600	Inadequate	A1, A2	2/2/1999	Brooke Utilities
38	Pinon Ridge #1	Gila	10 North	10 East	10	41	53-300286	Inadequate	A1	5/14/1997	Town of Payson
39	Pinon Ridge Unit Two	Gila	10 North	10 East	10	39	53-300433	Inadequate	A1	3/20/1998	Town of Payson

Table 5.3-10 Adequacy Determinations in the Tonto Creek Basin (Cont)[1]

A. Water Adequacy Reports

Map Key	Subdivision Name	County	Location			No. of Lots	ADWR File No.2	ADWR Adequacy Determination	Reason(s) for Inadequacy Determination3	Date of Determination	Water Provider at the Time of Application
			Township	Range	Section						
40	Ponderosa Springs (Colcord Sps)	Gila	11 North	14 East	26, 27, 34, 35	28	53-501205	Adequate		1/2/1980	Dry Lot Subdivision
41	Preserve, The, on Haigler Creek	Gila	10 North	13 East	13	29	53-501212	Inadequate	A1	1/13/1986	Dry Lot Subdivision
42	Punkin Center Village	Gila	6 North	10 East	13, 14	91	53-501228	Inadequate	A1	10/15/1984	Sheer Speed Water Company
43	Quail Valley	Gila	11 North	11 East	34	160	53-501239	Inadequate	A1, A2	4/30/1982	United Utilities Company
44	Quail Valley #2	Gila	11 North	11 East	32	9	53-501240	Inadequate	A1, A2	3/17/1987	United Utilities Company
45	Ridge at Hunter Creek	Gila	11 North	13 East	29	19	53-300505	Adequate		8/10/1998	Hunter Creek Ranch HOA
46	Rim Club Cabins, Unit One	Gila	10 North	10 East	1	9	53-401384	Inadequate	D	9/2/2004	Town of Payson
47	Rim Golf Club	Gila	11 North	10 East	36,1	317	53-300426	Inadequate	A1	4/21/1998	Town of Payson
48	Rim View Heights Estates	Gila	10 North	10 East	10, 11	101	53-501299	Inadequate	A1, A2	3/21/1988	Town of Payson
49	San Gianni Hills	Gila	11 North	10 East	26	15	53-401759	Inadequate	A1	5/31/2005	Town of Payson
50	Settle in at Pine Meadows	Gila	11 North	12 East	32, 33	210	53-400482	Inadequate	A1	4/6/2001	Pine Meadows Domestic Water System
51	Siena Creek	Gila	11 North	10 East	36	25	53-400859	Inadequate	A1	12/23/2002	Town of Payson
52	Star Valley Vista	Gila	11 North	11 East	31, 32	12	53-501450	Inadequate	A1, A2	3/18/1987	United Utilities Company
53	Tonto Creek Shores	Gila	9 North	10 East	25	8	53-300532	Inadequate	A1	9/9/1998	United Utilities Company
54	Tonto Creek Shores B	Gila	9 North	10 East	25	13	53-400392	Inadequate	A1	9/18/2000	NA
55	Tonto Rim Ranch	Gila	11 North	12 East	4, 9	12	53-300557	Inadequate	A1	11/13/1998	Tonto Creek Utility Co.
56	Tonto Village #3	Gila	11 North	12 East	5, 8	89	53-501565	Adequate		7/17/1978	Tonto Village Water Co.
57	Walnut Springs	Gila	6 North	10 East	26	85	53-501664	Adequate		1/6/1998	United Utilities Company
58	Whisper Ridge	Gila	10 North	10 East	2	20	53-400774	Inadequate	A1	8/8/2002	Town of Payson
59	Wilderness Rim	Gila	11 North	10 East	36	6	53-700531	Inadequate		6/17/2008	NA
60	Wildflower Ridge	Gila	11 North	10 East	35	50	53-401559	Inadequate	A1	11/17/2004	Town of Payson
61	Wood Canyon Ranch	Gila	11 North	12 East	32	320	53-401556	Inadequate		3/16/2005	NA
62	Woods of Payson, The	Gila	11 North	10 East	26	8	53-300372	Inadequate	A1	10/8/1997	Town of Payson
63	Zane Grey Ranch	Gila	12 North	12 East	32	5	53-501717	Inadequate	A1	8/5/1993	Zane Grey Ranch Homeowners

B. Analysis of Adequate Water Supply

Map Key	Subdivision Name	County	Location			No. of Lots	ADWR File No.[2]	Date of Determination	Water Provider at the Time of Application
			Township	Range	Section				
3	Boulder Ridge	Gila	11 North	10 East	35	34	53-700562	9/8/2008	Town of Payson

Source: ADWR 2008a

Notes:

[1] Each determination of the adequacy of water supplies available to a subdivision is based on the information available to ADWR and the standards of review and policies in effect at the time the determination was made. In some cases, ADWR might make a different determination if a similar application were submitted today, based on the hydrologic data and other information currently available, as well as current rules and policies.

[2] Prior to February 1995, ADWR did not assign file numbers to applications for adequacy. Between 1995-2006 all applications for adequacy were given a file number with a 22 prefix. In 2006 a 53 prefix was assigned to all water adequacy reports and applications regardless of their issue date.

[3] A. Physical/Continuous
1) Insufficient Data (applicant chose not to submit necessary information, and/or available hydrologic data insufficient to make determination)
2) Insufficient Supply (existing water supply unreliable or physically unavailable; for groundwater, depth-to-water exceeds criteria)
3) Insufficient Infrastructure (distribution system is insufficient to meet demands or applicant proposed water hauling)
B. Legal (applicant failed to demonstrate a legal right to use the water or failed to demonstrate the provider's legal authority to serve the subdivision)
C. Water Quality
D. Unable to locate records

NA = Not Available

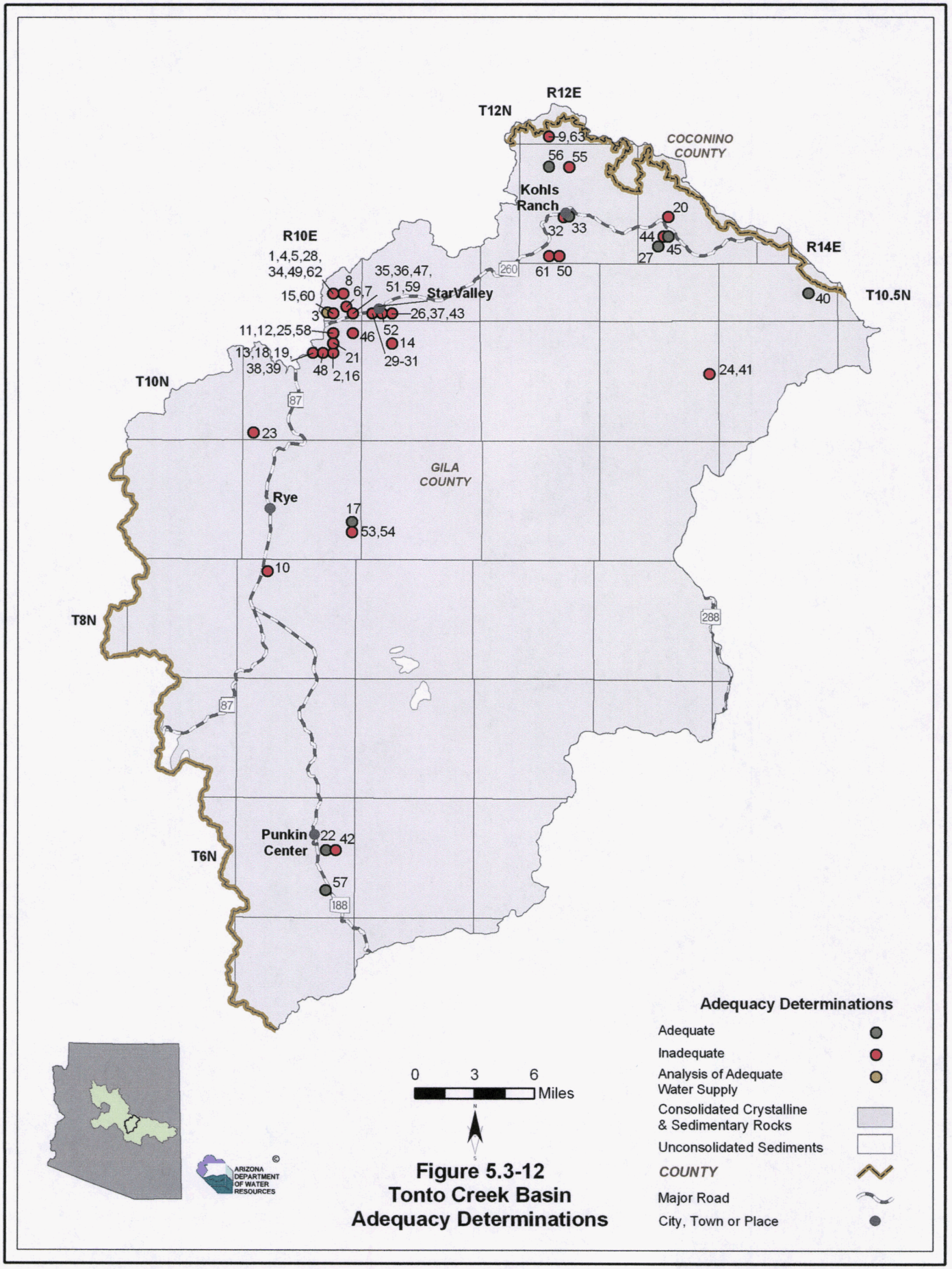


Figure 5.3-12
Tonto Creek Basin
Adequacy Determinations

Tonto Creek Basin

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EXHIBIT KMR-2

Summary of Staff Proposal as of December 20, 2013

Estimated water bills for **Deer Creek Village** Customers

(Deer Creek Village is part of the former United Utilities System)

Example #1 - Water Use for June (reported as High Water Usage Month)[1]	Monthly Cost
Staff Recommended Base Rate (5/8 x 3/4-inch meter)[2]	$ 20.00
Staff Recommended Commodity Rate (5/8 x 3/4-inch meter)[2]*	$ 36.83

*Based upon high water use of 215 gallons per day per connection[3] = 6,450 gallons/month

TOTAL $ 56.83**

**Current cost for this same level of usage is $31.05

(This is a 83% increase)

Example #2 - Water Use for January (reported as Low Water Usage Month)[1]	Monthly Cost
Staff Recommended Base Rate (5/8 x 3/4-inch meter)[2]	$ 20.00
Staff Recommended Commodity Rate (5/8 x 3/4-inch meter)[2]*	$ 11.28

*Based upon low water use of 94 gallons per day per connection[3] = 2,820 gallons/month

TOTAL $ 31.28**

**Current cost for this same level of usage is $21.44

(This is a 46% increase)

Example #3 - Water Use Average (reported as Average Water Usage Month)[1]	Monthly Cost
Staff Recommended Base Rate (5/8 x 3/4-inch meter)[2]	$ 20.00
Staff Recommended Commodity Rate (5/8 x 3/4-inch meter)[2]*	$ 21.71

*Based upon average water use of 145 gallons per day per connection[3] = 4,350 gallons/month

TOTAL $ 41.71**

**Current cost for this same level of usage is $24.77

(This is a 68% increase)

[1] Per Direct Testimony of Jian W. Liu, Document #0000149555, Page 11

[2] Per Direct Testimony of Crystal S. Brown, Document #0000149555, Schedule CSB-17, Page 1

[3] Per Direct Testimony of Jian W. Liu, Document #0000149555, Page 11

EXHIBIT KMR-2

Summary of Company Proposal as of December 20, 2013
Estimated water bills for **Deer Creek Village** Customers

(Deer Creek Village is part of the former United Utilities System)

Example #1 - Water Use for June (reported as High Water Usage Month)[1]	Monthly Cost
Company Recommended Base Rate (5/8 x 3/4-inch meter)[2]	$ 25.42
Company Recommended Commodity Rate (5/8 x 3/4-inch meter)[2]*	$ 44.09
TOTAL	**$ 69.51****

*Based upon high water use of 215 gallons per day per connection[3] = 6,450 gallons/month

**Current cost for this same level of usage is $31.05
(This is a 124% increase)

Example #2 - Water Use for January (reported as Low Water Usage Month)[1]	Monthly Cost
Company Recommended Base Rate (5/8 x 3/4-inch meter)[2]	$ 25.42
Company Recommended Commodity Rate (5/8 x 3/4-inch meter)[2]*	$ 16.64
TOTAL	**$ 42.06****

*Based upon low water use of 94 gallons per day per connection[3] = 2,820 gallons/month

**Current cost for this same level of usage is $21.44
(This is a 96% increase)

Example #3 - Water Use Average (reported as Average Water Usage Month)[1]	Monthly Cost
Company Recommended Base Rate (5/8 x 3/4-inch meter)[2]	$ 25.42
Company Recommended Commodity Rate (5/8 x 3/4-inch meter)[2]*	$ 28.03
TOTAL	**$ 53.54****

*Based upon average water use of 145 gallons per day per connection[3] = 4,350 gallons/month

**Current cost for this same level of usage is $24.77
(This is a 116% increase)

[1] Per Direct Testimony of Jian W. Liu, Document #0000149555, Page 11
[2] Per Rebuttal Testimony of Thomas J. Bourassa, Document #0000150385, Pages 13 & 14
[3] Per Direct Testimony of Jian W. Liu, Document #0000149555, Page 11

EXHIBIT KMR-3

Summary of Staff Proposal as of December 20, 2013
Estimated water bills for **Gisela/Tonto Creek Shores** Customers

(Gisela is part of the former C & S System)

Example #1 - Water Use for June (reported as High Water Usage Month)[1]	Monthly Cost
Staff Recommended Base Rate (5/8 x 3/4-inch meter)[2]	$ 20.00
Staff Recommended Commodity Rate (5/8 x 3/4-inch meter)*	$ 71.76

*Based upon high water use of 368 gallons per day per connection[3] = 11,040 gallons/month

TOTAL $ 91.76**

**Current cost for this same level of usage is $33.34
(This is a 175% increase)

Example #2 - Water Use for March (reported as Low Water Usage Month)[1]	Monthly Cost
Staff Recommended Base Rate (5/8 x 3/4-inch meter)[2]	$ 20.00
Staff Recommended Commodity Rate (5/8 x 3/4-inch meter)*	$ 17.62

*Based upon low water use of 126 gallons per day per connection[3] = 3,780 gallons/month

TOTAL $ 37.62**

**Current cost for this same level of usage is $22.59
(This is a 67% increase)

Example #3 - Water Use Average (reported as Average Water Usage Month)[1]	Monthly Cost
Staff Recommended Base Rate (5/8 x 3/4-inch meter)[2]	$ 20.00
Staff Recommended Commodity Rate (5/8 x 3/4-inch meter)*	$ 39.21

*Based upon average water use of 226 gallons per day per connection[3] = 6,780 gallons/month

TOTAL $ 59.21**

**Current cost for this same level of usage is $27.03
(This is a 119% increase)

[1] Per Direct Testimony of Jian W. Liu, Document #0000149555, Page 11
[2] Per Direct Testimony of Crystal S. Brown, Document #0000149555, Schedule CSB-17, Page 1
[3] Per Direct Testimony of Jian W. Liu, Document #0000149555, Page 11

EXHIBIT KMR-3

Summary of Company Proposal as of December 20, 2013
Estimated water bills for **Gisela/Tonto Creek Shores** Customers

(Gisela is part of the former C & S System)

Example #1 - Water Use for June (reported as High Water Usage Month)[1]	Monthly Cost
Company Recommended Base Rate (5/8 x 3/4-inch meter)[2]	$ 25.42
Company Recommended Commodity Rate (5/8 x 3/4-inch meter)[2]*	$ 80.77
TOTAL	**$ 106.19****

*Based upon high water use of 368 gallons per day per connection[3] = 11,040 gallons/month

**Current cost for this same level of usage is $33.34
(This is a 219% increase)

Example #2 - Water Use for March (reported as Low Water Usage Month)[1]	Monthly Cost
Company Recommended Base Rate (5/8 x 3/4-inch meter)[2]	$ 25.42
Company Recommended Commodity Rate (5/8 x 3/4-inch meter)[2]*	$ 23.67
TOTAL	**$ 49.09****

*Based upon low water use of 126 gallons per day per connection[3] = 3,780 gallons/month

**Current cost for this same level of usage is $22.59
(This is a 117% increase)

Example #3 - Water Use Average (reported as Average Water Usage Month)[1]	Monthly Cost
Company Recommended Base Rate (5/8 x 3/4-inch meter)[2]	$ 25.42
Company Recommended Commodity Rate (5/8 x 3/4-inch meter)[2]*	$ 46.62
TOTAL	**$ 72.04****

*Based upon average water use of 226 gallons per day per connection[3] = 6,780 gallons/month

**Current cost for this same level of usage is $27.03
(This is a 167% increase)

[1] Per Direct Testimony of Jian W. Liu, Document #0000149555, Page 11
[2] Per Rebuttal Testimony of Thomas J. Bourassa, Document #0000150385, Pages 13 & 14
[3] Per Direct Testimony of Jian W. Liu, Document #0000149555, Page 11

Exhibit KMR-4

PAYSON WATER COMPANY
DOCKET NO. W-03514A-13-0111
RESPONSE TO K M REIDHEAD, INTERVENOR

December 10, 2013

Response provided by:

Title:

Company: Payson Water Company

Address: 7581 E. Academy Blvd., Suite 229
Denver, CO 80230

Company Response Number: 1

Q. How long have you known Mr. Robert Hardcastle and what exactly has that relationship been?

OBJECTION: This data request is not reasonably calculated to lead to the discovery of admissible evidence in this rate case, the purpose of which is to establish the fair value of the Company's utility property and set rates thereon. Additionally, the Company cannot know a person in the manner expressed by this data request, although the Company does state that the only relationship between Mr. Hardcastle and Mr. Williamson is that of members of the buyer and seller entities in the recent stock sale.

(7 pages total)

Exhibit KmR-4

PAYSON WATER COMPANY
DOCKET NO. W-03514A-13-0111
RESPONSE TO K M REIDHEAD, INTERVENOR

December 10, 2013

Response provided by:

Title:

Company: Payson Water Company

Address: 7581 E. Academy Blvd., Suite 229
Denver, CO 80230

Company Response Number: 2

Q. Is there any family relationship between Mr. Robert Hardcastle and you?

OBJECTION: This data request is not reasonably calculated to lead to the discovery of admissible evidence in this rate case, the purpose of which is to establish the fair value of the Company's utility property and set rates thereon. Additionally, the Company cannot have a familial relationship in the manner expressed by this data request.

Exhibit KmR-4

PAYSON WATER COMPANY
DOCKET NO. W-03514A-13-0111
RESPONSE TO K M REIDHEAD, INTERVENOR

December 10, 2013

Response provided by:	Jason Williamson
Title:	President
Company:	Payson Water Company
Address:	7581 E. Academy Blvd., Suite 229 Denver, CO 80230

Company Response Number: 3

Q. Does Mr. Hardcastle or any of his other business entities still own any remaining shareholder stake in PWC?

RESPONSE: No.

Exhibit kmR-4

PAYSON WATER COMPANY
DOCKET NO. W-03514A-13-0111
RESPONSE TO K M REIDHEAD, INTERVENOR

December 10, 2013

Response provided by:

Title:

Company: Payson Water Company

Address: 7581 E. Academy Blvd., Suite 229
Denver, CO 80230

Company Response Number: 4

Q. Are you and Mr. Hardcastle engaged in any business ventures together?

OBJECTION: This data request is not reasonably calculated to lead to the discovery of admissible evidence in this rate case, the purpose of which is to establish the fair value of the Company's utility property and set rates thereon. Additionally, the Company cannot have a familial relationship in the manner expressed by this data request.

Exhibit KMR-4

PAYSON WATER COMPANY
DOCKET NO. W-03514A-13-0111
RESPONSES TO K. M. REIDHEAD, INTERVENOR

December 10, 2013

Response provided by:

Title:

Company: Payson Water Company

Address: 7581 E. Academy Blvd., Suite 229
Denver, CO 80230

Company Response Number: 5

Q. It is noted that, through Brooke Utilities, Mr. Hardcastle acquired the outstanding stock in United Utilities and C & S Water Company on or about August 8, 1996 from a Mr. Richard S. Williamson. What is the relationship, if any, between Mr. Richard S. Williamson and you?

OBJECTION: This data request is not reasonably calculated to lead to the discovery of admissible evidence in this rate case, the purpose of which is to establish the fair value of the Company's utility property and set rates thereon. Additionally, the Company cannot have a relationship in the manner expressed by this data request. The Company can state, however, that its current President does not know Mr. Richard Williamson.

Exhibit KMR-4

PAYSON WATER COMPANY
DOCKET NO. W-03514A-13-0111
RESPONSE TO K M REIDHEAD, INTERVENOR

December 10, 2013

Response provided by: Jason Williamson

Title: President

Company: Payson Water Company

Address: 7581 E. Academy Blvd., Suite 229
Denver, CO 80230

Company Response Number: 6

Q. What specifically does PWC do to monitor/maintain the water system in Deer Creek Village, "DCV"?

a. Please describe specifically what is involved in delivering the water to the residents of DCV.

b. Provide a detailed description of the costs involved in that delivery. Please provide recent invoices for the period of 2009 - 2013 that substantiate those costs.

OBJECTION: The information required to set the Company's rates, including its test year rate base, revenues and expenses are set forth in the schedules attached to the Company's filings, which schedules are the schedules required by the Commission for a Class C water utility. These schedules include the E Schedules, which provide expense information for years outside the test year. Beyond that, the information sought in subsection (b), to the extent available, would be extremely burdensome if not impossible to produce. The Company does not have invoices specific to every cost of serving each of its separate systems, let alone communities within systems, nor would it be in the ordinary course of business or required by NARUC to retain an "invoice" for every "cost" of service, related to serving an individual community within a separate system of a regulated water utility.

RESPONSE: Without waiting its objection, the Company's response to subsection (a) of this data request is that the operations of the Deer Creek include maintenance and monitoring of the wells and well pumps (including regular lab

Exhibit KmR-4

sampling in accordance with ADEQ MAP testing guidelines to ensure water quality), pressure tank & booster pumps, storage tank and associated electrical controls. Daily remote monitoring of the storage tank volume to ensure sufficient supply is available. 24/7 emergency response for repair of leaks and service mains when damaged. Monthly meter reads, and customer service order requests (like re-reading of meters). The Company's response to subsection (b) of this data request is that the Company does not keep system specific accounting for the majority of expenses since all of the Company's water systems benefit from centralized and aggregated expenses such as operator salaries, chemicals, management, billing, customer service center, vehicles, fuel, etc.

8724825.1/073283.0006

EXHIBIT KMR-5

Comparison of Interconnection Pipeline Costs to Potential Water Hauling Costs for Payson Water Company Ratepayers in Mesa del Caballo

INTERCONNECTION PIPELINE COSTS:

Phase 1 WIFA Surcharge (5/8 x 3/4-inch meter)[1]

$ 7.44 / month / customer
X 12 months
= $ 89.28 annually / customer
X 20 years
= **$1,785.60 TOTAL / customer**

WATER HAULING COSTS (estimated for 2014, 2015 & 2016):

Based upon 2013 (the worst year yet) Water Hauling Costs[2] $ 247.00 / customer / year

Number of years the interconnection pipeline will be operational X 3 years[3]

= **$ 741.00 TOTAL / customer**

CONCLUSION:

The Phase 1 Decision #74175 authorizing a $275,000 Interconnection Pipeline project and imposing the WIFA surcharge on Mesa del Caballo ratepayers will cost the ratepayers of Mesa del Caballo more over the long run than water hauling costs would likely have cost for the 3 years that the Interconnection Pipeline will be operational. Furthermore, there is no assurance that the ratepayers won't still have to pay additional water hauling charges during peak summer shortage periods[4].

[1] Per ACC Decision #74175, Page 12

[2] Per Rebuttal Testimony of Jason Williamson, Document #0000150385, Page 9, lines 17 & 18

[3] Per Rebuttal Testimony of Jason Williamson, Document #0000150385, Page 9, lines 23-25

[4] Per the testimony of Jason Williamson at the Phase 1 Hearing, 04:10:05 through 04:12:20 of the video archive.

EXHIBIT KMR-6

Summary of Staff Proposal as of December 20, 2013
Estimated water bills for **Mesa del Caballo** Customers

(Mesa del Caballo is part of the former United Utilities System)

Example #1 - Water Use for June (reported as High Water Usage Month)[1]	Monthly Cost
Phase 1 WIFA Surcharge (5/8 x 3/4-inch meter)[2]	$ 7.44
Proposed Phase 2 WIFA Surcharge (5/8 x 3/4-inch meter)[3]	$ 22.87
Staff Recommended Base Rate (5/8 x 3/4-inch meter)[4]	$ 20.00
Staff Recommended Commodity Rate (5/8 x 3/4-inch meter)*	$ 15.89
TOTAL	**$ 66.20****

*Based upon high water use of 118 gallons per day per connection[5] = 3,540 gallons/month

**Current cost for this same level of usage is $22.83
(This is a 190% increase)

Example #2 - Water Use for March (reported as Low Water Usage Month)[1]	Monthly Cost
Phase 1 WIFA Surcharge (5/8 x 3/4-inch meter)[2]	$ 7.44
Proposed Phase 2 WIFA Surcharge (5/8 x 3/4-inch meter)[3]	$ 22.87
Staff Recommended Base Rate (5/8 x 3/4-inch meter)[4]	$ 20.00
Staff Recommended Commodity Rate (5/8 x 3/4-inch meter)*	$ 9.96
TOTAL	**$ 60.27****

*Based upon low water use of 83 gallons per day per connection[5] = 2,490 gallons/month

**Current cost for this same level of usage is $20.81
(This is a 190% increase)

Example #3 - Water Use Average (reported as Average Water Usage Month)[1]	Monthly Cost
Phase 1 WIFA Surcharge (5/8 x 3/4-inch meter)[2]	$ 7.44
Proposed Phase 2 WIFA Surcharge (5/8 x 3/4-inch meter)[3]	$ 22.87
Staff Recommended Base Rate (5/8 x 3/4-inch meter)[4]	$ 20.00
Staff Recommended Commodity Rate (5/8 x 3/4-inch meter)*	$ 11.76
TOTAL	**$ 62.07****

*Based upon average water use of 98 gallons per day per connection[5] = 2,940 gallons/month

**Current cost for this same level of usage is $21.67
(This is a 186% increase)

[1] Per Direct Testimony of Jian W. Liu, Document #0000149555, Page 11

[2] Per ACC Decision #74175, Page 12

[3] Per Direct Testimony of John A. Cassidy, Document #0000149600, Page 6 and Schedule JAC-2

[4] Per Direct Testimony of Crystal S. Brown, Document #0000149555, Schedule CSB-17, Page 1

[5] Per Direct Testimony of Jian W. Liu, Document #0000149555, Page 11

EXHIBIT KMR-6

Summary of Company Proposal as of December 20, 2013
Estimated water bills for **Mesa del Caballo** Customers

(Mesa del Caballo is part of the former United Utilities System)

Example #1 - Water Use for June (reported as High Water Usage Month)[1]	Monthly Cost
Phase 1 WIFA Surcharge (5/8 x 3/4-inch meter)[2]	$ 7.44
Proposed Phase 2 WIFA Surcharge (5/8 x 3/4-inch meter)[3]	$ 22.87
Company Recommended Base Rate (5/8 x 3/4-inch meter)[4]	$ 25.42
Company Recommended Commodity Rate (5/8 x 3/4-inch meter)[4]*	$ 21.82
TOTAL	**$ 77.55****

*Based upon high water use of 118 gallons per day per connection[5] = 3,540 gallons/month

**Current cost for this same level of usage is $22.83
(This is a 240% increase)

Example #2 - Water Use for March (reported as Low Water Usage Month)[1]	Monthly Cost
Phase 1 WIFA Surcharge (5/8 x 3/4-inch meter)[2]	$ 7.44
Proposed Phase 2 WIFA Surcharge (5/8 x 3/4-inch meter)[3]	$ 22.87
Company Recommended Base Rate (5/8 x 3/4-inch meter)[4]	$ 25.42
Company Recommended Commodity Rate (5/8 x 3/4-inch meter)[4]*	$ 14.69
TOTAL	**$ 70.42****

*Based upon low water use of 83 gallons per day per connection[5] = 2,490 gallons/month

**Current cost for this same level of usage is $20.81
(This is a 238% increase)

Example #3 - Water Use Average (reported as Average Water Usage Month)[1]	Monthly Cost
Phase 1 WIFA Surcharge (5/8 x 3/4-inch meter)[2]	$ 7.44
Proposed Phase 2 WIFA Surcharge (5/8 x 3/4-inch meter)[3]	$ 22.87
Company Recommended Base Rate (5/8 x 3/4-inch meter)[4]	$ 25.42
Company Recommended Commodity Rate (5/8 x 3/4-inch meter)[4]*	$ 17.35
TOTAL	**$ 73.08****

*Based upon average water use of 98 gallons per day per connection[5] = 2,940 gallons/month

**Current cost for this same level of usage is $21.67
(This is a 237% increase)

[1] Per Direct Testimony of Jian W. Liu, Document #0000149555, Page 11

[2] Per ACC Decision #74175, Page 12

[3] Per Direct Testimony of John A. Cassidy, Document #0000149600, Page 6 and Schedule JAC-2

[4] Per Rebuttal Testimony of Thomas J. Bourassa, Document #0000150385, Page 13 & 14

[5] Per Direct Testimony of Jian W. Liu, Document #0000149555, Page 11

EXHIBIT KMR-7

	Present		Company Proposal			Staff Proposal		
Monthly Usage Charge	United System Present	C & S System Present	PWC Rebuttal Rates Consolidated	PWC Rebuttal Proposed % Increase	PWC Rebuttal Proposed % Increase	Staff Recommended Rates Consolidated	Staff Recommended % Increase	Staff Recommended % Increase
Base Rate:								
Meter Size:				United	C & S		United	C & S
5/8 x 3/4 Inch	$ 16.00	$ 17.00	$ 25.42	59%	50%	$ 20.00	25%	18%
3/4 inch	$ 18.40	$ 25.50	$ 38.12	107%	49%	$ 33.00	79%	29%
Commodity Rate (per 1,000 gal):								
C & S System:					C & S			C & S
For all gallons		$ 1.48						
Meter Size:								
5/8 x 3/4 Inch								
1 to 3,000 gallons		$ 1.48	$ 5.90		299%	$ 4.00		170%
3,001 to 10,000 gallons		$ 1.48	$ 7.65		417%	$ 7.20		386%
Over 10,000 gallons		$ 1.48	$ 9.15		518%	$ 9.009		509%
3/4 inch (Residential)								
1 to 3,000 gallons		$ 1.48	$ 5.90		299%	$ 4.00		170%
3,001 to 10,000 gallons		$ 1.48	$ 7.65		417%	$ 7.20		386%
Over 10,000 gallons		$ 1.48	$ 9.15		518%	$ 9.009		509%
Commodity Rate (per 1,000 gal):								
United Utilities System:				United			United	
First 4,000 gallons	$ 1.93							
Over 4,000 gallons	$ 2.99							
Meter Size:								
5/8 x 3/4 Inch								
1 to 3,000 gallons	$ 1.93		$ 5.90	206%		$ 4.00	107%	
3,001 to 4,000 gallons	$ 1.93		$ 7.65	296%		$ 7.20	273%	
4,001 to 10,000 gallons	$ 2.99		$ 7.65	156%		$ 7.20	141%	
Over 10,000 gallons	$ 2.99		$ 9.15	206%		$ 9.009	201%	
3/4 inch (Residential)								
1 to 3,000 gallons	$ 1.93		$ 5.90	206%		$ 4.00	107%	
3,001 to 4,000 gallons	$ 1.93		$ 7.65	296%		$ 7.20	273%	
4,001 to 10,000 gallons	$ 2.99		$ 7.65	156%		$ 7.20	141%	
Over 10,000 gallons	$ 2.99		$ 9.15	206%		$ 9.009	201%	

Exhibit KmR-8

Mesa Del Caballo Subdivision

Populated Place in Gila County, Arizona, USA.
Latitude: 34.28556 : Longitude: -111.29444 : Elevation: 5200 ft

Local Links

Blogs and Websites Near Mesa Del Caballo Subdivision, Arizona - GeoURL

Maps and Photos

Mesa Del Caballo Subdivision Map - Multimap
Mesa Del Caballo Subdivision Street Map and Satellite Photo - Google Maps
Mesa Del Caballo Subdivision Aerial Photo and Topo Map - Terraserver
Mesa Del Caballo Subdivision Map - MSN
Environmental Hazards, Flood Area Maps, Boundaries - EPA
Mesa Del Caballo Subdivision Area Map - MapQuest

Weather and Climate

Mesa Del Caballo Subdivision AZ Weather Forecast - National Weather Service
Weather Forecast near Mesa Del Caballo Subdivision - Multimap
The weather forecast links don't work for all places yet.

Some random places: Ocampo Beloh Bridge Psyche Butte Erphit Lake Onserud Airfield

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Exhibit KmR-8

Place Names

Mead Ranch

Locale in Gila County, Arizona, USA.
Latitude: 34.33917 : Longitude: -111.14667 : Elevation: 5960 ft

Local Links

Blogs and Websites Near Mead Ranch, Arizona - GeoURL

Maps and Photos

Mead Ranch Map - Multimap
Mead Ranch Street Map and Satellite Photo - Google Maps
Mead Ranch Aerial Photo and Topo Map - Terraserver
Mead Ranch Map - MSN
Environmental Hazards, Flood Area Maps, Boundaries - EPA
Mead Ranch Area Map - MapQuest

Weather and Climate

Weather Forecast near Mead Ranch - Multimap
The weather forecast links don't work for all places yet.

Some random places: Ipp Adelanto Heliport Opossum Cehollita, Canon Edalgo LSR Medical Center Heliport

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Exhibit KmR-8

Place Names

East Verde Park

Park in Gila County, Arizona, USA.
Latitude: 34.29333 : Longitude: -111.36583 : Elevation: 4640 ft

Local Links

Blogs and Websites Near East Verde Park, Arizona - GeoURL

Maps and Photos

East Verde Park Map - Multimap
East Verde Park Street Map and Satellite Photo - Google Maps
East Verde Park Aerial Photo and Topo Map - Terraserver
East Verde Park Map - MSN
Environmental Hazards, Flood Area Maps, Boundaries - EPA
East Verde Park Area Map - MapQuest

Weather and Climate

Weather Forecast near East Verde Park - Multimap
The weather forecast links don't work for all places yet.

Some random places: Egaksrak Entrance Oiyer Spring Vie Mountain JD Cabin En Medio

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Exhibit KmR-8

Place Names

Flowing Springs Subdivision

Populated Place in Gila County, Arizona, USA.
Latitude: 34.31528 : Longitude: -111.33389 : Elevation: 4640 ft

Local Links

Blogs and Websites Near Flowing Springs Subdivision, Arizona - GeoURL

Maps and Photos

Flowing Springs Subdivision Map - Multimap
Flowing Springs Subdivision Street Map and Satellite Photo - Google Maps
Flowing Springs Subdivision Aerial Photo and Topo Map - Terraserver
Flowing Springs Subdivision Map - MSN
Environmental Hazards, Flood Area Maps, Boundaries - EPA
Flowing Springs Subdivision Area Map - MapQuest

Weather and Climate

Flowing Springs Subdivision AZ Weather Forecast - National Weather Service
Weather Forecast near Flowing Springs Subdivision - Multimap
The weather forecast links don't work for all places yet.

Some random places: Aello Peak Easom Mine Auburn Eek Oacoma

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Exhibit KmR-8

Place Names

Geronimo Estates Subdivision

Populated Place in Gila County, Arizona, USA.
Latitude: 34.36694 : Longitude: -111.35806 : Elevation: 5280 ft

Local Links

Blogs and Websites Near Geronimo Estates Subdivision, Arizona - GeoURL

Maps and Photos

Geronimo Estates Subdivision Map - Multimap
Geronimo Estates Subdivision Street Map and Satellite Photo - Google Maps
Geronimo Estates Subdivision Aerial Photo and Topo Map - Terraserver
Geronimo Estates Subdivision Map - MSN
Environmental Hazards, Flood Area Maps, Boundaries - EPA
Geronimo Estates Subdivision Area Map - MapQuest

Weather and Climate

Geronimo Estates Subdivision AZ Weather Forecast - National Weather Service
Weather Forecast near Geronimo Estates Subdivision - Multimap
The weather forecast links don't work for all places yet.

Some random places: Eaker Cemetery Dok Point Se Do Mo Cha Middle School Vepco Flash Board Dam Amak Island

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Exhibit KmR-8

Place Names

Whispering Pines Subdivision

Populated Place in Gila County, Arizona, USA.
Latitude: 34.37111 : Longitude: -111.28278 : Elevation: 5620 ft

Local Links

Blogs and Websites Near Whispering Pines Subdivision, Arizona - GeoURL

Maps and Photos

Whispering Pines Subdivision Map - Multimap
Whispering Pines Subdivision Street Map and Satellite Photo - Google Maps
Whispering Pines Subdivision Aerial Photo and Topo Map - Terraserver
Whispering Pines Subdivision Map - MSN
Environmental Hazards, Flood Area Maps, Boundaries - EPA
Whispering Pines Subdivision Area Map - MapQuest

Weather and Climate

Whispering Pines Subdivision AZ Weather Forecast - National Weather Service
Weather Forecast near Whispering Pines Subdivision - Multimap
The weather forecast links don't work for all places yet.

Some random places: Esek Hopkins Middle School Ogdonia JTH Canyon Gdowski Dam NCSU Pond Number One

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Exhibit KMR-8

Home : USA : Arizona : Gila County : Populated Places

Place Names

Gisela

Populated Place in Gila County, Arizona, USA.
Latitude: 34.10167 : Longitude: -111.27917 : Elevation: 2880 ft

Local Links

Blogs and Websites Near Gisela, Arizona - GeoURL

Maps and Photos

Gisela Map - Multimap
Gisela Street Map and Satellite Photo - Google Maps
Gisela Aerial Photo and Topo Map - Terraserver
Gisela Map - MSN
Environmental Hazards, Flood Area Maps, Boundaries - EPA
Gisela Area Map - MapQuest

Weather and Climate

Gisela AZ Weather Forecast - National Weather Service
Weather Forecast near Gisela - Multimap
The weather forecast links don't work for all places yet.

Some random places: Lpon Island Seafairers Marina Lingle Ogre Creek Foam Creek

Home - Help and FAQ

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Exhibit KmR-8

Deer Creek Village Subdivision

Populated Place in Gila County, Arizona, USA.
Latitude: 34.06528 : Longitude: -111.35556 : Elevation: 3100 ft

Local Links

Blogs and Websites Near Deer Creek Village Subdivision, Arizona - GeoURL

Maps and Photos

Deer Creek Village Subdivision Map - Multimap
Deer Creek Village Subdivision Street Map and Satellite Photo - Google Maps
Deer Creek Village Subdivision Aerial Photo and Topo Map - Terraserver
Deer Creek Village Subdivision Map - MSN
Environmental Hazards, Flood Area Maps, Boundaries - EPA
Deer Creek Village Subdivision Area Map - MapQuest

Weather and Climate

Deer Creek Village Subdivision AZ Weather Forecast - National Weather Service
Weather Forecast near Deer Creek Village Subdivision - Multimap
The weather forecast links don't work for all places yet.

Some random places: Hu Bar Spring Beowawe Ookala Park VR 33 Reservoir Fike and Inman Cemetery

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Exhibit KmR-9

005459

City of Phoenix
City Services Bill

KATHLEEN [redacted]
Account Number: 1440900000
Billing Date: 11/7/2013
Due Date: 12/2/2013
Page 1 of 1

There is no trash or recycling collection on Christmas Day. Residents with collection days on Wednesday, Thursday and Friday of that week will have their containers collected the following day.

As the cool weather season begins, remember to lessen your garden and lawn watering times. Also, fall is the prime planting season for desert adapted plants that use less water.

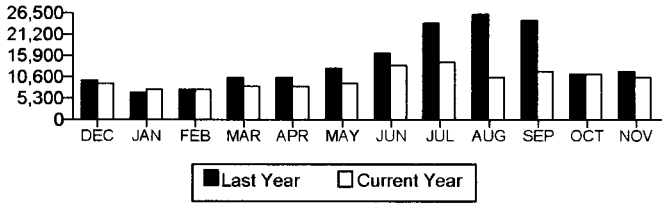
City Services Statement as of 11/7/2013	
Previous Balance	$98.21
Payments Received - Thank You	-98.21
Balance Forward	0.00
Current Charges	94.13
Total Amount Due	**$94.13**

Service Address: 14406 S CHOLLA CANYON DR, PHOENIX, AZ 85044

Meter Number	Previous Meter Read		Current Meter Read		Water Used in Billing Cycle	
	Date	Reading	Date	Reading		
17958549	10/8/2013	465	11/7/2013	479	14 Units	10472 Gallons

1 unit = 748 gallons

Your Monthly Water Usage (gallons)



Water/Sewer Service: (602) 262-6251
Solid Waste: (602) 262-7251
TDD: (602) 534-1113
To Pay Online: www.phoenix.gov

Water/Sewer Service from 10/9/2013 to 11/7/2013

Water Base Fee	$4.36
Water Usage Fee	26.96
Environmental Mandates - Water	5.32
Sewer Fee	20.23
Environmental Mandates - Sewer	4.67
State Mandated Jail Costs	1.00
City Tax	1.66
State and Other Taxes	3.08
Subtotal	**$67.28**

Solid Waste Service from 10/9/2013 to 11/7/2013

Refuse	$26.80
State Landfill Disposal Fee	0.05
Subtotal	**$26.85**

Please detach and return the portion below with your payment.

City Services Bill

IMPORTANT PAYMENT INFORMATION

Automatic payments: Sign up for the convenience of having your utility bill paid directly by your bank at no cost to you. Download the enrollment forms at www.phoenix.gov/WATER/surepay.html or call (602) 262-6251 to have the forms sent to you.

Online Bill Payment: Pay your bill securely online 24 hours a day at www.phoenix.gov.

Pay by Telephone: Automated credit card payments are accepted 24 hours a day by calling (602) 262-6251.

Pay in Person: For your convenience, you can pay your bill at offices located at: 10255 N. 23rd Avenue; 4105 N. 51st Avenue - Suite 119 and 610 E. Baseline Road - Suite C-5. Payments with bill only are also accepted at Chase Bank locations throughout the valley and at 305 W. Washington Street and the APS office at 4612 E. Bell Road.

Project Assist: Your tax deductible donation for Project Assist provides water utility payment assistance to help low income families and seniors in crisis. Funds are distributed by the City of Phoenix Human Services Department. You can donate any amount each month. If you wish to contribute the same amount each month, please call 602-262-6251 and your donation will be added to your monthly bill.

Service Turn off for Non Payment: Water service may be shut off if your payment is delinquent. If your water service is disconnected for non payment, you must pay all delinquent amounts, associated fees, and a deposit before water is restored.

Late Fee: You can maintain your City of Phoenix good payment history and avoid a late payment fee when we receive your payment by the due date. If any portion of your bill is not paid by the due date, you will be charged a late fee of 3% per month on the total unpaid balance.

CONTACTING US

Water/Sewer Inquiries and Address Changes: For questions regarding the water and sewer portion of your bill, call (602) 262-6251 or visit one of our business offices. Office hours are 8:00 a.m. to 5:00 p.m., Monday through Friday (excluding holidays). Written inquiries can be addressed to Water Services, 305 W. Washington Street, Phoenix, AZ 85003-2101 or send an email to water.customer.service@phoenix.gov.

Solid Waste Inquiries and Address Changes: For questions about the solid waste portion of your bill including solid waste or recycling services, billing, bulk trash pickup schedule, collection containers, dead animal removal, household hazardous waste, or illegal dumping, call Public Works at (602) 262-7251 during normal business hours, 8:00 a.m. to 4:00 p.m., Monday through Friday. You can also visit our website at www.phoenix.gov/publicworks or contact us by email at pwserve@phoenix.gov.